Opposition Picks Populist To Be Japan's New Leader

Seven-Party Coalition Vows Sweeping Political And Economic Reforms

By James Sterngold

TOKYO—Morihiro Hosokawa, a conserva-tive populist who has promised to reduce the intrusive role of government in the Japanese economy, was all but assured Thursday of becoming the country's first non-Liberal Demo-cratic prime minister in 38 years when he was chosen to lead a coalition of opposition parties. The selection of Mr. Hosokawa, 55, is expect-

the selection of MI. Mosokawa, 33, is expected to be formalized at a special assion of parliament in the first week of Angust.

"The leaders of the seven parties have made this decision, so I humbly will comply with this divine mission," said Mr. Hosokawa, who left the Liberal Democrats 14 months ago to begin,

his reform movement. Thursday's decision capped two of the most dramatic months of change in recent political history and launched the industrial world's

Japan's next leader descends from a centuries-old line of shoguns and warlords. Page 4.

most conservative nation on a slow journey toward a more open economy, greater support for consumers and a more active role internationally - all goals that the United States has

pushed in recent years.

The decision would install a sort of political rainbow coalition of conservatives and socialists whose many policy differences have been papered over so they can achieve their principal nared aims - to unsent the discredited Liberal Democrats and to reform the corrupt electoral

Beyond those goals there is great uncertainty over the speed of any changes, in particular because some of the proposed policies are expected to face fierce resistance from powerful.

This, is the beginning of the beginning of something," said Harno Shimada, an economics professor at Keio University and an adviser to Mr. Hosokawa's party, the Japan New Party. "It's part of an important learning process for all Japanese. We've chosen to change the power structure, Now we have to think about what we

want the new government to do.

In the short term, he said. I don't stink there I be modificable. It may take at least of 10 years to tackle some of these problems. The first two items the new government is expected to tackle are a hadget for heat year that will provide a heavy joit of spending to lift the economy from its stubborn recession, and legislation to end corporate political donations and to reshape the electoral districts after five years of money arendals.

years of money scandals.

The coalition promised in a platform statement that it would generally preserve the forcign and security policies of the current govern-ment, particularly the scoulity relationship with the United States. But in one highly symbolic departure, it said it intended to open a new cra in relations with Asia by confronting the memones of World War II and offering for the first time a full apology for the suffering caused by

Beyond that, however, lies great uncertainty. Sec JAPAN, Page 4

3-Way 'Union' In Bosnia Urged At Geneva Talks

By David B. Ottaway Washington Post Service

GENEVA - The two international mediators conducting the Bosnian peace talks proposed Thursday to the three warring parties that they agree to divide Bosnia into a "union" of three republics, apparently along ethnic

The mediators, Lord Owen and Thorvald Stoltenberg, submitted what conference sources described as an "integral draft" outlin-ing a plan to create the United Republics of

ia-Herzegovenia. The mediators reportedly submitted no map outlining the precise borders of the proposed three republics. However, any suggestion of a three-way division of Bosma is certain to be tiken by all three factions as an endorsement by the two men of the partition of Bosnia on an ethnic basis.

This would represent a major change from the plan their predecessor, Cyrus R. Vance, had submitted for the division of the country into 10 semiantonomous provinces, but not strictly

The new Owen-Stoltenberg plan was immediately condemned by sources close to the Muslim-led Bosnian government delegation as a thinly disguised version of the proposal of their Serbian and Croatian enemies for a loose con-federation of three ethnic states.

"This is a confederation," said one source, He said the Muslim-led government delegation was shocked and angered that Lord Owen and Mr. Stoltenberg had abandoned their posi-tion as neutral mediators to put forward a plan for the ethnic partition of Bosnia aiready supported by the Bosnian Serbs and Croats.

However, the Owen-Stoltenberg plan reportedly also includes a clause that would bar any of the three republies from seceding from the union. This is apparently an attempt to reassure the Muslims that the proposed Serbian and Croatian republics would not break away to join neighboring Serbia and Croatia

[Bosnian Serbs and Croats expressed support

for the new plan, Renters reported from Gene-

I"This is pretty close to the Serbian-Croatian proposals," said the Bosnian Serbs' leader, Ra-See BOSNIA, Page 2



Morihiro Hosokawa, right, with Tsutoum Hata, another opposition leader, following Mr. Hosokawa's appointment on Thursday as their coalition's candidate for prime minister.

Tokyo Keeps Nuclear Options Open

Foreign Minister Kabun Muto of Japan says his country must possess the will to develop a nuclear arsenal in case it one day faces a nuclear threat from North Korea.

Mr. Muto did not suggest that Japan should begin developing such weapons now, only that it should not rule out the possibility of

German Indifference Puts Franc at Market's Mercy

nonal Herald Tribune PARIS - The Bundesbank, ignoring wide-

spread expectations that it would come to the aid of Europe's tottering monetary system and beleaguered economies, left its key interest rate unchanged Thursday, plunging the European exchange-rate system into renewed crisis.

The German central bank refused to trim its

key discount rate, in favor of defending the Deutsche mark against the threat of inflation, leaving the way clear for speculators to challenge the European currency grid.

The decision to favor German domestic con-

cerns over Europe's broader problems threw into doubt the goal of monetary union that is at the heart of the Europe Community's plans for economic and political integration.

The Bundesbank as well as the French, Dan-

ish, Dutch and Belgian central banks said they were intervening in defense of the French and Belgian francs and the Danish krone. French stock and bond prices soared on the assump-tion that the franc would be forced out of the system, opening the way for France to cut its own interest rates.

In the evening, Prime Minister Edouard Bal-ladur convened a crisis meeting with policy-makers including Finance Minister Edmond Alphandery, the central bank governor, Jac-

ques de Larosière, and Jean-Claude Trichet, the Treasury director. Officials refused to comment on the talks.

"The situation in the ERM is unsustainable." said Paul Chertkow, London-based analyst at Union Bank of Switzerland.

The Bundesbank had been expected to cut its key discount rate from 6.75 percent, but instead only reduced its less important Lombard rate, to 7.75 percent from 8.25 percent. The discount rate, charged on a limited number of loans to commercial banks, is the effective floor of the German money market, while the unrestricted Lombard rate is its ceiling. When rates are falling, reductions in the floor rate are the more

Many investors were misled by the Bundes-bank's Wednesday reduction in its rate on 28-day repurchase agreements, which it uses to guide money market rates between the discount and Lombard levels. The repo rate was trimmed to 6.95 percent from 7.15 percent. putting it closer to the discount rate than the tradidonal half-point spread.

Norbert Walter at Deutsche Bank, while ex-

pressing dismay at the German central bank's act said, "I sincerely hope the Bundesbank move is not misunderstood and seen in the market as attack on the ERM." He said the readiness of the central banks to intervene in

Fallout

Sbockwaves were felt across Europe in the aftermath of the Bundesbank's deci-sion to maintain its discount rate;

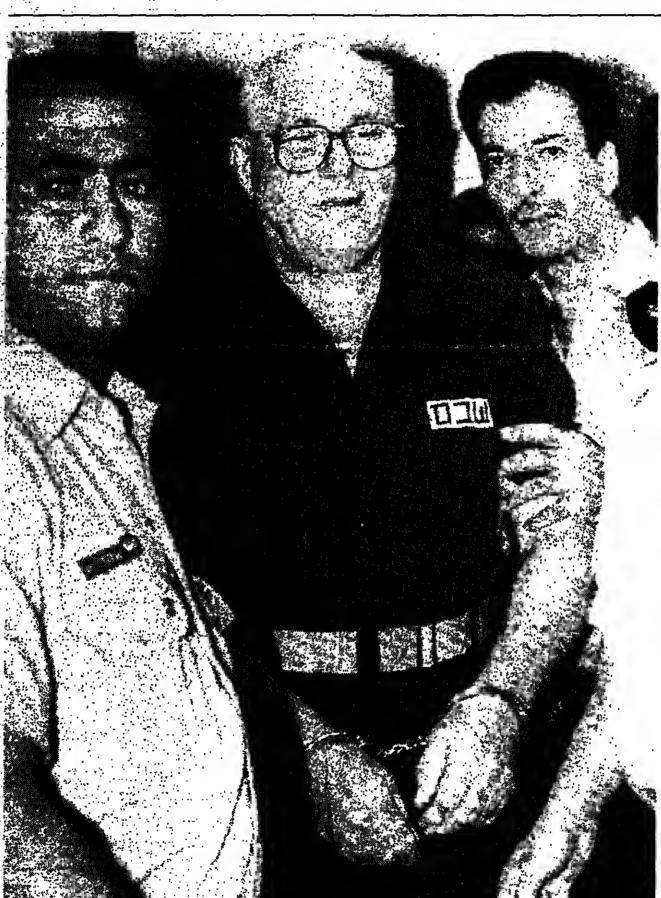
• The Belgian, Danish, French, Portuguese and Spanish central banks intervened in support of their currencies.

 Stock prices surged in London and Paris, where speculators gambled that the franc might leave the monetary system. • The president of the Danish central bank. Erik Hoffmeyer, said the bank was determined to defend the krone.

the foreign-exchange market Thursday demonstrated the official will to support the system. There was no immediate prospect for an end to the speculative crisis.

Some analysts speculated that there could be an ERM realignment or collapse as early as this weekend; others said the French government would light on to defend the franc, which most observers believe cannot drop out of the exchange-rate system without causing its collapse. Another option would be temporarily sus-

See GRID, Page 12



John Demjanjuk, center, entering the Israel Supreme Court in Jerusalem on Thursday to bear that he would be freed and his death sentence overturned. Officials said he would leave Israel as soon as another country agreed to accept him, possibly his native Ukraine.

Demjanjuk Is Set Free On New Soviet Evidence

By David Hoffman

ashington Post Service JERUSALEM - The Israel Supreme Court on Thursday overturned the conviction and death sentence of John Demjanjuk, 73, saying that new evidence from former Soviet archives showed there was reasonable doubt that be was a gas-chamber operator at a Nazi death camp during World War IL.

A five-judge panel said long-hidden interro-gations of Soviet prisoners of war who served as guards in the Nazi death camps raised the possibility that the Treblinka camp guard known as "fvan the Terrible" was not Mr. Demjanjuk but another person, Ivan Marchenko, who has never been found.

The court found what it called compelling evidence that Mr. Demjanjuk had served as a prison guard in at least two other Nazi camps where Jews were exterminated. The justices decided, however, not to order another trial.

Israel issued a legal order for Mr. Demjanjuk's expulsion before he had left the court-room. He is to leave Israel as soon as another country agrees to accept him, officials said. He may fly to his native Ukraine.

Mr. Demjanjuk cannot immediately return ship. Several groups, including the Simon Wiesenthal Center and the Anti-Defamation League of B'nai Brith, urged the Clinton ad-

ministration not to readmit him. [The United States will not allow Mr. Demjanjuk to return, Reuters reported from Washington, quoting Justice Department officials. Neal Sher, head of the Justice Department's Nazi-hunting Office of Special Investigations. said the United States had found Mr. Demjanjuk ineligible on grounds that he served as a guard at Nazi death camps.

There would have to be an executive order President Bill Clinton to get him back in, Mr. Sher said. "Demjanjuk got off on a technicality," he said.]

"The matter is closed, but not complete," declared Chief Judge Meir Shamgar at the end of a 16-year legal battle. When the former Cleveland automobile worker was put on trial and convicted here in 1988, the case was turned into a national lesson for Israel about the extermination of 6 million Jews.

In the verdict's aftermath, Israel not only bad to confront the errors of the prosecution but also sought to reaffirm the place of the Holocaust in national consciousness.

"We don't make a decision about the historic truth," said Mordechai Kramnitzer, head of the Hebrew University Law School. "All we do is make a decision about the legal truth. This is a legal truth and not more." While many survivors were pained and angry at the verdict, others bailed the admission of error as a sign of Just as the conviction and execution of Adolf

Israeli history, so too is the Demiannic verdict being seen as a turning point. Some prominent lawyers and scholars have recently questioned whether Israel will ever again bold a Nazi war Even as Judge Shamgar read the unanimous

Eichmann in 1961 was a seminal moment in

verdict in court, he expressed a large measure of doubt about Mr. Demjanjuk's warring deeds. The complete truth is not the prerogative of

See IVAN, Page 5

Israeli Tanks Move North As Rocket Attacks Persist

JERUSALEM - Israel began moving tanks, armor and infantry toward Lebanon on Thursday and continued firing heavy artillery into southern Lebanon as Prime Minister Yitzhak Rabin vowed that "we will not stop this action" as long as Hezbollah guerrillas were launching rockets at Israel.

IA senior aide to Mr. Rabin said Thursday that Israel was ready to halt its attacks in Lebanon if the United States guaranteed that the pro-Iranian Hezboliah gnerrillas would stop firing rockets at northern Israel, Reuters

The aide, Oded Ben-Ami, said that the U.S. government was trying to arrange a cease-fire. ["If the Americans, or others, can guarantee that there will be no Katyusha attacks on our northern towns and settlements, then we will immediately cease our shelling," Mr. Ben-Ami

On the fifth day since Israel began a major offensive against the Hezbollah fighters, more volleys of Katyusha rockets landed in the Gali-

lee, and Israeli officials said they had now fired more than 25,000 shells into southern Lebanon in an effort to drive the population out and disable the Hezbollah fighters.

More than 90 people have been killed and 440 wounded, mostly Lebanese, since the Israeli offensive began. As thousands of Lebanese continued to flee

the heavy shelling, Israeli officials acknowl-

Few leaders in the Middle East appear to lament the raids on Hezboliah. Page 5.

edged that the civilian exodus had failed so far to provoke action by Lebanon to curtail Hez-boliah operations in the south. In fact, they said, Hezbollah has been reinforcing its fight-

"The whole philosoppy of pressuring Leba-non is not working," said a senior Israeli gov-ernment source. The government is "incapa-See RAIDS, Page 4

2 U.S. Jets Fire on South Iraq Sites

Page 9.

Kiosk

WASHINGTON (AP) -Two U.S. Navy jets patrolling the southern flight-ban zone over Iraq on Thuisday fired at suspecied surface to air missile sites after the aircraft were illuminated by radar, the Pentagon

The two aircraft were on patrols from the

General News

Prison immates became heroes in a struggle against the Mississippi River. Page 3. A former mine minister was the latest target in Italy's Enimont scandal.

The U.S. economy grew sluggishly in the second quarter:

U.S. aircraft carrier Abraham Lincoln, and both returned safely to the carrier, the statement said. Each of the navy aircraft fired a single anti-radiation missile at a different site. The sites are located approximately 80 miles (130 kilometers) south of the 32d par-

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Distress Signals of a White House Aide

By Douglas Jehl New York Times Service

WASHINGTON - In contrast to White House assertions that there had been no signs of trouble, Vincent W. Foster Jr., the longtime friend of President Bill Clinton who apparently committed suicide last week, had displayed signs of depression in the final month of his life, according to federal officials and people close to Mr. Foster.
Mr. Foster, the deputy White House counsel, had been so depressed about his job that before his death he had spent several reclusive

weekends working at home in bed with the shades drawn, a close associate said Wednesday. The 48-year-old lawyer had also told at least one doctor that he was dispirited. He had obtained the names of at least two Washington

psychiatrists, associates and officials said. A family doctor in Little Rock, Arkansas, sent anti-depressant medication to Mr. Foster.

The medication arrived in the final days of his life, but he apparently had only just begun to take it, said a person close to the family. This person said that Mr. Foster's wife, Lisa, recalled after her husband's death that when he tried to smile it was a "forced, hollowed-out kind

In addition, the White House said that torn pieces of paper found Monday in the bottom of Mr. Foster's briefcase in the White House contained what appeared to a note to himself that indicated a troubled state of mind. The White House spokeswoman, Dee Dee Myers, said Thursday

that the note was not lurned over to investigators for more than 2 bours because White House officials wanted to make sure that Mrs. Foster was made aware of the contents first.

"It was our judgment that the best thing to do was to make sure that the family had a chance to see it," she said.

Ms. Myers said the notes showed that Mr. Foster's "discressed state

of mind was really work-related." The new information about Mr. Foster's mental state shows that at least some of those closest to him had been concerned about his psychological health.

Associate Attorney General Webster L. Hubbell and his wife, Suzanne, traveled with the Fosters 10 a Maryland resort on the final weekend of Mr. Foster's life on a trip specifically intended to cheer him up, the associate said.

The picture of Mr. Foster in distress is different from the one presented immediately after his death and in the days that followed. White House officials had said then that there was no indication he

See SUICIDE, Page 3

By Joseph Fitchett International Herald Tribune

power used to bring about peace in Bosnia,

the Clinton administration is considering

wider options for air strikes to include protec-

The White House was deliberating as voices were raised in Congress calling for military action to lift the siege of Sarajevo.

France, which is pushing for the use of

NATO air power to protect French and other

troops in the UN peacekeeping forces io

Bosnia, has urged Washington to back the wider option, a Foreign Ministry spokesman

This tougher talk, according to officials in both capitals, is aimed at influencing the

Serbian and Muslim factions negotiating in

Geneva into an overall partition deal, which the North Atlantic Treaty Organization would then protect against local violations.

Defining the U.S. position, a White House

official was quoted as having said that Presi-

dent Bill Clinton "really has made two decisions - to go forward with protecting UN

troops, and to consider going beyond that."

tard, said after talks in Washington on Thurs-

France's defense minister, François Léo-

said in Paris.

tion of United Nations relief convoys.

PARIS - Hoping to see Western military

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Bosnia Air Strikes: U.S. Sees Wider Use

retaliate with air power if necessary. UN commanders have said that, besides NATO planes ready to start flying ground support missions, the French and other Western ground forces serving under the UN flag in Bosnia could act on their own to attack positions that had opened fire on them.

All Western governments are anxious to see the UN role in Bosnia backed with stronger military action, partly to offset the precedent in Somalia of heavy casualties be-

ing inflicted on UN forces.

But a larger Western concern in Bosnia was expressed in a speech Thursday by Senator Joseph R. Biden Jr., Democrat of Delaware. who called on the Clinton administration to use air power to lift the Serbian blockade of food and other supplies to Sarajevo. He said that step would save a remnant of Western dignity, warn the Serbs to stop now and enable the Muslim-led government to sign a peace without being overthrown by its own armed forces.

Mr. Biden, an outspoken critic of the Clinton administration's policy in the Bosnian crisis, was articulating a concern raised in

day that no more attacks on UN forces would be tolerated and that the West was ready to the Serbs to pull back from Sarajevo was the last chance to redeem a dire record of Western failure in the former Yugoslavia. Condemning the United States and its al-

lies, Mr. Biden said that Western leaders have redefined collective security to mean arranging to blame one another for inaction. so that everyone has an excuse." "It does not mean acting together." he

added. "It means hiding together."
With Sarajevo dependent on airlits for survival, Serbian forces surrounding the airport permit only one plane oo the ground at a time and no more than one every 20 minutes -in practice, a maximum of 24 a day. At this rate, only 20 percent of Sarajevo's occds can

be met, according to UN officials. An order to Serbian forces to withdraw five kilometers (three miles) from the airport, Mr. Biden said, would open the bottleneck on food and fuel, restrict the actions of local Serbian commanders and provide enough security to enable the Bosnian leadership to accept a settlement in Geneva.

Bosnia's armed forces will revolt against a peace deal unless they are reassured about the prospects for UN defense of their nump state, Mr. Biden said.



Muslims praying Thursday in Sarajevo at a funeral for three Bosnian soldiers. Because of shelling, funerals are held in the streets.

Sarajevo's Serbs: That Locked-In Feeling

By John F. Burns New York Times Service

SARAJEVO, Bosnia-Herzegovina — After several knocks, the door opened a crack. The face peering anxiously into the darkened corridor was that of a 40-year-old Serbian teacher, one of about 55,000 Serbs still living in Sarajevo after 16 months under Serbian nationalist siege. The man was ashen-faced, so

fearful that his hands trembled.

"Forgive me, I am not myself," he said, after ushering his guest in. "We feel incarcerated here. We sit here languishing, afraid to go out, terrified that there will be a knock on the door from armed men who will drag me

out, take me to the mountains and make me dig trenches or fight against my own people." Life in the Bosnian capital is full of hunger and misery these days, as a second summer passes with little food, and with Serbian shells and sniper bullets bringing death and disfigurement to hundreds of new victims each week. On the hills, men 18 to 60 toil in press-ganged groups digging trenches for the Muslim-led soldiers defending the city,

But for the Serbs of Sarajevo, the hardships are compounded. For many, the calculations that kept them in the city at the outset of the war have changed, to the point that most now say that they would flee if they could,

Among the more militant of the Muslims who predominate in Sarajevo, resentment to-ward the Serbs grows with each row of graves, making it less likely, in the view of many Serbs, that the city can survive the siege as the capital of a secular, multinacional state as proclaimed by the Muslim leadership.

In the oparer term, Serbs here have more personal worries. Although the Bosnian Army has reined in the worst of the Muslim gangs that ranged through the city last sum-mer, bursting into Serbs' homes, attacking, robbing and sometimes killing the occupants, Serbs remain at risk from both the Serbian guns on the hills that surround the city and

from vengeful gangs of Muslims within. Nobody knows how many Serbs were killed, or how many others were beaten and robbed hy armed thugs who attacked them on the street or hurst into their homes.

So far, only a handful of murder cases involving Serbian victims have come to trial, and many appear to be have been permanent-

This year, there have been few reports of Serbs being killed, but many of Serbs being harassed, particularly of Serbian men being singled out by roving bands of paramilitary fighters for labor service at the front.

For most Serbs, the threat of victimization is a less important factor than Muslims' everyday kindnesses. But concerned government officials, caring ociehbors and supportive fellow workers have been unable to stop powerful Muslim paramilitary groups that press-gang men on the street.

The Muslim-led government here condemns the animosity toward Serbs as antithetical to what it stands for, but acknowledges that such feelings exist.

"There are animosities against Serbs here that you would not have found before the war." said Zdravko Knezevie, chief prosecutor of the Bosnian government.

Continued from Page 1

dovan Karadzic. Asked if the Serbs

could accept it. Mr. Karadzic re-plied. "Basically, yes," although he added that minor changes would be

An indication that the Croats

would also accept the plan came from Prime Minister Mile Akmad-

zic of Bosnia, a Croatian member

of the country's collective presiden-

cy who is also close to the Bosnian

Croats' political leader, Mate Bo-

ban. "The Croats in the presidency

will accept the plan." he said.] Meanwhile, Mr. Karadzic, Mr.

Boban and President Ilija Izetbego-

vic, the Muslim leader, interrupted

the third day of their negotiations

to order their respective military

commanders to implement "in full" a badly frayed 5-day-old

The decision to try to halt the

BOSNIA: Geneva Mediators Recommend 'Union'

fighting came after the negotiations for a peaceful settlement to the 15-month-old conflict began taking on

an air of growing unreality as both Serbian and Muslim forces contin-

ued to pursue their military objec-

John Mills, the spokesman for the two international mediators,

said that in order to reinforce their

common decision, they had decid-

ed their commanders should meet

under UN auspices in Sarajevo ev-

ery day, starting Thursday, as long

as their meeting in Geneva lasts, to

discuss violations of the cease-fire.

spokesman for the UN forces in

Bosnia, said the United Nations

was organizing a meeting Friday among the military leaders of the

Many such meetings have been

planned, but few have occurred in

recent months as the situation

around the capital and throughout

Commander Frewer said it was

unclear whether the cease-fire

would held, especially around Zuc.

an important hill north of the city

currently held by Muslim forces.

Over the past few days, he said.

Serbian forces have bombarded the

area and sent a column of infantry

up a valley that leads to the hilltop.

ery part of Sarajevo will be within

tion in Bosnia on the negotiations

appeared to be of growing concern

to the two Geneva mediators.

range of their artillery.

If the Serbs can control Zuc, ev-

The impact of the military situa- Andorra Gains Seat in UN

Last Saturday, the Serbs and ra has become the 184th member of

Muslims agreed to what they called the United Nations following the a "cessation of hostilities" starting at 10 A.M. Sunday. But the level of ai Assembly.

the country has deteriorated.

three sides to work out the deal.

Commander Barry Frewer, chief

the outset of the war. In April last year, there were oearly 160,000 Serbs in Sarajevo, the largest group after the Muslims. When leaving the city was easier, many Serbs chose not to heed Serbian nationalist leaders who urged them to flee into the "liberated territory" that Serbian forces had seized.

Many Serbs who stayed were bound to homes and jobs. Many, too, as residents of a city that was one of the most cosmopolitan in the Balkans, rejected the doctrines of the

Serbian nationalists.

In almost every sphere of life, Serbs play key roles — as ministers and officials in the Bosnian government, as commanders and front-line soldiers in the Bosnian armed forces, and as surgeons, journalists, judges, prosecutors, engineers and in other jobs where they are working to keep the city alive.

The Serbs have shared, too, in the dying. On many mornings, amid the throng of gravediggers and mourners, there is the black-robed figure of a Serbian Orthodox priest. At least 2,500 of the dead are believed to be Serbs, killed by Scrbian soldiers in the name of creating territory for Serbs.

But Serbs have also died at the hands of rengeful Muslims. At the outset of the siege, Muslims handed together in paramilitary for-mations, some headed by men with criminal

Beginning last antumn, the Bosnian Army began cracking down on the Muslim paramilitary groups, drafting them into the Bosnian forces. Attacks on Serbs diminished, but were Oot eliminated

central and northern Bosnia has

subsided only slightly since then.

tinued their offensive against Mus-lim forces in northern Bosnia

around Breko in an effort to widen

coonecting Serbian-held areas

The continuing Serbian drive to widen the size of the east-west cor-

ridor has come as Mr. Karadzie has

offered in Geneva to provide the

Muslims with some kind of corri-

dor, or at least assured access, to

the Sava River, which marks the

border between Bosnia and Cro-

That offer would seem to be en-

tirely a political maneuver for bar-

gaining purposes in light of the

Serbs' offensive to consolidate their

control all across northern Bosnia.

declaration. Muslim forces have

completed their capture from the

Croats of Bugoino, 80 kilometers

(50 miles) northeast of Sarajevo.

to consolidate and expand their

area of control in central Bosnia in

the eventuality that they are

obliged to accept a small Muslim

UNITED NATIONS, New

York - The principality of Andor-

state as part of a settlement.

The Muslims seem to be acting

Meanwhile, since the cease-fire

In fact. Serbian forces have con-

Ex-Prime Minister Latest Suspect in Enimont Scandal

Compiled by Our Staff From Disputches ROME - The Emmont chemical company scandal, over which two busioess executives killed themselves earlier this month. broadened Thursday with the dis-closure that former Prime Minister Amaldo Forlani was under investi-

Mr. Forlani said be had been officially warned he was suspected of having received around \$27 million in bribes for his Christian Democratic Party in connection with the chemical company. He de-nied any wrongdoing and said the huge sum involved was "clearly un-

His Christian Democratic col-league, former Budget Minister Paolo Cirino Pomicino, said he also had been warned that magistrates suspected him of having received bribes from the company. Mr. Cirino Pomicino, who is un-

der separate investigation for al-leged Mafia links, called the accu-sation "an intolerable lie." Vicenzo Palladino, vice chair-

man of Banca Commerciale Ita-liana SpA, one of Italy's biggest state banks, also was being actively sought by investigators, judicial

Enimont has been the most serious strand of the corruption scan-dal that has rocked Italian political and business life over the last 18 months. The sums allegedly paid to political parties before, during and after the demise of Enimont in 1990, dwarf those reported in other

L' Espresso magazine asserted Thursthat the total amount shared out between the parties from Eni-

'81, was said to have received the money while he was the Christian Democratic Party secretary, a post he gave up last year.

The former prime minister, who has already been warned that he is under investigation on allegations of having accepted bribes from the state road-building authority, is one of five former heads of government caught up in the wider scan-

Both he and Mr. Cirino Pomicino are thought to have been implicated in the testimony of Giuseppe Garofano, a former head of Montedison, which made up the Enimont joint venture with the state oil giant ENI. Mr. Garofano has admitted that

Montedison kept a huge slush fund to pay off leading Italian politi-

It was Mr. Garofano's reported revelations which caused Raul Gardini, an earlier head of Montedison, to kill himself rather than

face arrest and humiliation.

Mr. Gardini died last Friday just hours before the funeral of the former ENI chairman, Gabriele Cagliari, who was found dead in his prison cell last week after having suffocated himself.

On another front Thursday, the government introduced sweeping security measures against further bomb attacks after bombings in Milan and Rome earlier this week. Interior Minister Nicola Man-

cino declared the country "in a state of maximum alert" as the goverament called for rigorous police controls of all transportation routes in and out of the country and tight surveillance of cultural towns after Tuesday night's bomb blasts. (Reuters, AFP)

the three boycotting groups.

on the form of si

"Our action seeks to invalidate

homeland said in a statement, add-

ing that it opposed the concept of

sufficient consensus which allowed a majority of the 26 parties to the

Meanwhile, in the latest inci-

dents of racially motivated vio-

lence, white attackers killed two

blacks ocar Johannesburg on

Thursday. The police said that two

white men in a pickup truck shot a

black woman at a taxi stand and a

black man was stabbed to death at

an apartment complex later. Police

suspect the same men in both kill-

Eleven whites died Sunday in an

attack by blacks on a church in

Cape Town, and police say they are

investigating possible links be-tween the attack and others staged

by radical black groups against

nus Kriel, announced Thursday

that police would be increased by

more than 10,000 to help combat

chronic political violence and

(AFP, Reuters)

crime throughout the country.

The law and order minister, Her-

talks to set the election date.

WORLD BRIEFS

On By-Election Day, a Low Tory Poll

CHRISTCHURCH, England (Reuters) — As balloting took place
here Thursday in a parliamentary by-election, a newspaper poll showed
that the popularity of Prime Minister John Major's Conservative Party
had slumped to a 12-year low. The poll, in The Times, reported that Tory
had slumped to a 12-year low. The poll, in The Times, reported that Tory
had slumped to a 12-year low. The poll, in The Times, reported that Tory

support nationally had slipped back to 27 percent, against 44 for the Labor Party and 25 for the Liberal Democrats.

The Conservatives also appeared to be heading for a convincing defeat in the by-election, in what has been one of their safest seats in Parliament, Local polls suggested that the people of Christchurch would follow the national trend and enable the centrist Liberal Democrats to trounce the

Nagorno-Karabakh Truce Extended

YEREVAN, Armenia (AP) — A cease fire between Azerbaijan and its disputed enclave of Nagorno-Karabakh has been extended five days in hopes of arranging peace talks at a high level, officials said Thursday. Negotiators hope to arrange a meeting between the leaders of Azerbaina and Nagorna Masshabh.

jan and Nagorno-Karabakh. The five-year war over the enclave — inside Azerbaijan but populated by Armenians — has claimed about 15,000 lives and made refugees out of a million people. Azerbaijan previously has refused to negotiate directly with Nagorno-Karabakh, insisting that Armenia was a primary party to the conflict.

UN Aide Faults Japan and Germany

TOKYO (AP) - The chief of the United Nations mission in Cambodia urged Japan and Germany on Thursday to overcome guilt feelings from World War II and contribute more to the cause of international peace.

Both nations recently eased their own postwar restrictions to contribute troops to UN peacekeeping missions for the first time — Japan in Cambodia, and Germany in Somalia.

Versity Abasis head of the UN Transitional Authority in Cambodia.

Cambodia, and Germany in Somalia.

Yasushi Alrashi, head of the UN Transitional Authority in Cambodia, said he understood that countries like Japan and Germany had special, burdens arising from the war, in which both overran their neighbors. But he said that "their wartime experience should be not used as an albit for standing aside from a full-scale contribution to the cause of the peace through the United Nations."

Cuba on Its Last Legs, CIA Reports

WASHINGTON (NYI) — Riven by food shortages and economic hardship, Cuba under President Fidel Castro is suffering its worst political crisis in 30 years, a senior CIA official said Thursday.

"Castro's government is in acute distress," Brian Latell, the agency's top analyst of Latin American affairs, said at a rare open meeting of the

son analyst of Laim American attains, san at a rate open the line of the Senate Select Committee on Intelligence.

The combination of the U.S. economic embargo and Moscow's withdrawal of aid have brought the Marxist government to its knees, the CIA analyst and other witnesses said. But a central question for the U.S. government, which spent considerable energy in the 1960s trying to overthrow the Cuban government and assassinate Mr. Castro, remained unsettled after the hearing: Should Washington try to help Cuba, or

China Seeks to Renew Military Links

BELIING (AFP) - China wants to see positive steps from the West to restore military ties that were disrupted after the 1989 Tianammen Square crackdown, a Defense Ministry official was quoted Thursday as saying There are no obstacles from our side now," the official told the Xinhua news agency. Ties between the Chinese Army and counterparts in some Western countries would "gradually be restored with the development of state-to-state relations," the official said, but only after the West ment of trying to ramrod their views through the forum. The talks resumed on Wednesday without

took "positive steps."

The People's Liberation Army has already ended the isolation that followed its crackdown on the pro-democracy movement four years ago. Last year, the army received a record 110 military delegations from more than 40 countries, including 11 defense ministers, and sent more than 70 delegations to 20 countries.



A Muscovite at a city bank on Thursday counting his ruble notes before exchanging them for newly issued 1993 currency.

A Moscow Session on Ruble Crisis?

MOSCOW (Reuters) — Russia's parliament will hold a one-day session Saturday that could discuss the Central Bank decision to withdraw all pre-1993 ruble banknotes, Interfax news agency said

A partiamentary press spokesman said deputies would meet to discuss a decree President Boris N. Yeitsin issued on restoring order in the autonomous region of South Ossetia. But Vitali Syrovatko, secretary to the parliamentary leadership, said he could not rule out the possibility that deputies would raise the ruble question, which

has drawn strong protests across the country.

Leaders of the conservative legislature, chaired by Mr. Yeltsin's rival, Ruslan I. Khasbulatov, have criticized the Russian leader for the bank decision that initially allowed people just two weeks to swap 35,000 in old rubles (about \$35) for new. Mr. Khasbulatov has also condensed Mr. Valtein's decision to district the segurity also condemned Mr. Yeltsin's decision to dismiss the security minister, Colonel General Viktor P. Barannikov.

TRAVEL UPDATE

Germans Show Fast Train in U.S.

Germany's InterCity Express train joined the competition for a higg-speed rail contract Thursday in a public demonstration run between Washington and Bultimore. A two-month test in a daily Washington.

Washington and Bandhore. A two-mount test in a trary washington. New York round trip is due to start Oct.4.

Sweden's X2000 tilt-train completed a similar test earlier this year, and six other groups have already expressed interest in bidding for a \$400 million contract to be let by Amtrak, the U.S. publicly owned passenger rail group. It wants to buy 26 high-speed train sets and a prototype locomotive for nonelectrified lines. Germany's ICE, which has been dubbed "the Icetrain" in the United

States, is a product of Siemens and AEG and would if successful be manufactured here with a U.S. partner. Amtrak safety rules limit its speed to 125 miles an hour, 50 miles an hour slower than its normal operating speed in Europe.

A Kurdish separatist group has threatened to attack Turkish tourist facilities in a statement sent to embassies and travel agents around the world in the past week.

The opening of Tokyo's new international sirport, much-delayed and much-awaited by air travelers, may be put off again, until September next year. Kyodo news service said Kansai International Airport would start operating in September, 1994, after promises that it would open next summer. A Transport Ministry official did not deny the report. (AFP)

Taxi riders caught in New York traffic can now call ahead to say they'll be late — at \$1.75 a minute for local calls — if their cabs are among the 200 soon to be equipped with cellular phones. The first three phone companyed cabs hit the road Wednesday. The rest are scheduled to be added over the next two weeks.

(A.F.)

The opening of an underground parking garage in Paris under the Avenue des Champs-Elysées has been delayed until Monday because it is

The political situation was fur-ther thrown into disarray Thursday when KwaZulu, of which Chief Butheleri is the chief minister, filed ahead without the Zulu-based Inkatha Freedom Party. The African National Congress called Mr. de Kierk's statement a court action in an attempt to force the cancellation of South Africa's first all-race election schednled on April 27, 1994.

De Klerk Calls Inkatha

Vital, ANC Disagrees

dangerous, saying it appeared to give Inkatha — the ANCs main black rival — a veto in shaping the country's post-apartheid future. A meeting between Mr. de Klerk the decisions setting an election and the lukatha leader. Chief Mandate before agreement is reached

DURBAN, South Africa -President Frederik W. de Klerk

said Thursday that South African

constitutional talks should not go

ittle to persuade the Zulu chief to lift his boycott of the multiparty negotiadous. Chief Buthelezi said, however, that the boycott was oot necessarily

permanent. "The fact that I'm not there now does oot mean I will destroy negotiations in the country," he said after the meeting, without elaborating.

Mr. de Klerk said he hoped the

problems keeping the conservatives out of the talks were "bridgeable." But he also said: "I believe we should not even contemplate going ahead without the IFP. We cannot afford to go it alone while some role players stay out."

An ANC spokesman, Carl Nichaus, commented, "We would also like to do everything possible to keep the IFP in the process, but extending veto rights to them is unacceptable."

Inkatha, the black homeland of KwaZulu and the secessionist white Conservative Party walked out of the constitutional talks three weeks ago, accusing the African National Congress and the govern-

India Leader Rights Mission **Being Pulled** Is Weaker From Serbia

white civilians.

BELGRADE -- The Conference on Security and Coop-eration in Europe said Thursday that it was pulling its human rights monitoring mission out of Serbia.

Philippe Hahn, the group's deputy chief of mission, said negotiations to reverse Serbia's decisioo earlier this month to ask the mission to leave bad failed.

He said that all staff members would leave within two days and that the mission's offices in the ethnically sensitive Serbian areas of Kosovo. Sandjak and Vojvodina were aiready closed.

The European Community urged Belgrade earlier this month to allow the mission to stay. EC envoys expressed concern that the removal of observers would limit independent reporting of the tense situation in Serbia's southern province of Kosovo, where

ethnic Albanians outnumber Serbs by nine to one. drama is over, Mr. Rao's newly Serbia's decision to refuse to found friends will come up to settle

extend the mission's mandate stemmed from the Yugoslav republic's yearlong suspension from the international human rights forum because of its involvement in the war in neighboring Bosnia.

After Vote NEW DELHI - Prime Minister

P. V. Narasimha Rao of India has emerged significantly weaker from a parliamentary vote of confidence he won in dubious circumstances politicians and commentators said Thursday. Mr. Rao's minority Congress (1)

Party government scraped together a four-vote victory margio Wednesday amid allegations that it had bought votes. The no-confidence motion had

united the leftist, rightist and con-trist opposition behind accusations of corruption and inept adminis-Mr. Rao also had to seek the support of ambitious party rivals to

assure his survival, and they will

demand a price in coming weeks, commentators said. "The victory has been earned hard after appeasing sundry indi-viduals and disparate groups with promises and other inducements." commented the Economic Times newspaper. "Now that the sortid

their accounts." Some Congress politicians, angered by what they see as Mr. Rao's inability to gain support on ideo-logical grounds, said the victory appeared to be a tribute to Mr. Rao's manipulations rather than any inherent strength.

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Can a Fractured Capitol Pass a Budget? Yes, No, Maybe

New York Times Service among Democrane leaders over the pros-perts for President Bill Clinton's economic Estean Trucking package, Sepator Daniel Patrick Moyni-han, a quarterback in the drive to push the plan through Congress, says he lacks the votes next week and is not some vork Dennert week and is not some vork Dennerat, and Representative Dan Rostenkowski. Democrat of Illinois, shittered themes, and the care of the source compromise version of the plan that can pass both houses of Congress, the plan's political woes only seemed to mount,

and God Several lawmakers who had previously supported the plan appeared to be climb-ing onto the lence. And a legislative revolt seemed to be brewing against a crucial element of the package, a tax on gasoline and diesel fuel that House and Senate negotiators are counting on to supply at least \$5 billion a year.

But in the leverish atmosphere en-

shrouding these last days of bargaining, have to look at a over Mr. Climton's \$500 billion package of of this country. WASHINGTON As anxiety rises, tax increases and spending cuts, no one among Democranic leaders over the pros. could tell how much of Mr. Moyniban's hand-wringing was genuine and how much was binff, how much of the gas-tax revolt was real and how much was posturing, or how many Democrats would really vote to doom Mr. Clinton's economic plan and

> The negotiators are rushing so the package can be voted on before the monthlong recess that begins Aug. 6.

their party's credibility.

Rather, Democrats at both ends of the Capitol were playing a high-stakes game of chicken, warning that they or others could singlehandedly vote the package down imless someone, somewhere, bowed to de-mands that the package be softened, or toughened, or left as is.

"A lot of this is posturing going on now," said Representative Mike Synar, Democrat of Oklahoma, who is a leading supporter of Mr. Clinton's package in a state where support is rare. "When it's time 6 or 7 cents. The to wote, each individual member is going to cents a gallon.

have to look at themselves and at the future Still uncertain is whether any compro-

Minutes later, Mr. Synar hinted that the thusiasm for the package to wane. "It's not a showstopper for me," he said of the tax. "But it's sure an intermission,"

Such warnings are credible because time is so short, and Mr. Clinton's support is so thin, By most readings, the president's plan will fail if he loses even one supporter in the 100-member Senate, or as few as two or three in the 435-member House.

talks produced agreements in spirit, but not number; on most items except the fuel tax, he said.

Lawmakers also said a compromise on that tax seemed near, with the House and Senate negotiators reportedly discussing a compromise that would raise the proposed tax from the Senate's 4.3 cents per gallon to 6 or 7 cents. The current federal tax is 14.1

mise can muster support in Congress. The of Nebraska and Herb Kohl of Wisconsin, House speaker, Thomas S. Foley, Demo- joined David Boren of Oklahoma in exproposed gasoline tax was causing even his crat of Washington, said he believed a pressing new qualms.

enthusiasm for the package to wane. "It's gasoline tax would be in the final package. That left Mr. Moynihan up to three but pointedly noted that its fate was an votes short of the number needed to pass open question among House Democrats.

Mr. Synar and other House members of both parties said the package would proba-The Senate vote appears to be an even dicier proposition.

Mr. Moynihan said Wednesday after-Moynihan said. "But as of 7 last night, we moon that the negotiations with the House didn't have the votes." House leaders have to produce a compromise bill were going told him that they will not schedule a vote well, even as the polities deteriorated. The on the package until passage in the Senate is assured, he said.

Mr. Moyniban's declaration, which came after what one participant called a gloomy meeting with congressional and White House officials, may have been meant as a wake-up call to fellow Democrats. Or it may bave been the truth.

The downbeat reading seemed to be af- 32e. firmed Thursday afternoon, when two Democratic senators who had earlier sup-

joined David Boren of Oklahoma in ex-

the economic package, with no firm pros-

Mr. Kerrey said he had voted for the Senate version of the measure in June to avoid embarrassing Mr. Clinton as he was headed to Tokyo for his first economic



A couple outside their home in Missouri City, Missouri, where the Missouri River was at 20 feet over flood stage.

Sad Flood Story, With a Happy Ending

By Sara Rimer. New York Times Service HILLVIEW, Illinois - This is a story of black and Latino drug dealers from Chicago who tried to help 200 white farmers and factory workers save their town.
They lost, but in the fight against the Mississippi River they found.

one another. The town, which has been under water since July 10, was Niota. The dealers, who belong to a boot camp prison program in Greene County, have moved down the river, harling sandbags in Quincy, Hardin, Marblehead

But they still talk of Niota the people in Niota, the food they ate in Niota, the songs they sang -as if the tiny town on the lowa border were some lost uto-

"When we first got there, I was telling my friends, Watch this how long before someone calls us nigger?" said Greg Yance, 23, who grew up in Chicago's Cabrini Green housing project. "We was waiting but it never happened. I felt like I was in a movie. In the city, it's 'Look at John, he's trying to save his house." But here everyone was helping each other."

ئۇتىرى. يونىسى

Wednesday, the immates were choking up over a card that had arrived at the boot camp bar-racks, in White Hall, Illinois. There was a picture of roses, and a message: "With warmes! thanks to each of you, from your

Away From Politics

Asian-Americans around the United States

are organizing demonstrations linked to the

opening Friday of "Rising Sun," complaining that the movie reinforces stereotypes of the Japanese as sinister businessmen. The crime

drama, starring Sean Connery and Wesley

Snipes, depicts Japanese executives using lis-

tening devices to eavesdrop on rivals.

The Energy Department is proposing a

ang-term storage site for phutonium from

the highly radioactive material be viewed as a

"national asset." The Nevada nuclear weap-

• A white police officer's house was burned in

Toledo, Ohso, 11 days after he shot and

ons test site is a leading candidate.

nantied nuclear weapons, suggesting that

Niota family. You'll never be for-

Thirty people had signed the card - a feat in itself, considering that most of the residents had lost their homes and scattered including Neoma Farr

"Neoma" Mr. Yance said smiling broadly as he read her name. "She used to make orange drink for us every day. Every-body loved her." Only the roof of Mrs. Farr's

beauty salon is above water now. But she still has her house. They were crazy about that

orange drink," she said Wednes-day, "It was so hot. We had to make sure they had plenty to drink, I couldn't get over how hard they worked. And they thanked me for every itty bitty thing. I'd say, You're very wel-

. Talking over the telephone, in a town choked by water, humidity and mosquitoes, she began to cry. "I felt sorry for them," she said. "They worked so hard. The last night some of the women made supper for them at the church, but they wouldn't eat because they didn't save our town. As upset as we were, I think they were even more upset."

Mr. Yance who was 10 years old when his father was fatally shot at Cabrini Green and who went on to join a gang called the Vice Lords, said he cried the day the levee broke.

"I'm still hort," he said. "A lot of people lost their homes. They were thanking us. We were confused. Thank you for what? It didn't help. Maybe we should've worked harder, or faster."

The superintendent of the boot camp, John W. McCorkle, is a 6foot 5-inch Vietnam veteran who dresses in black, rarely takes off his sunglasses and shouts at inmates when they forget to call

It is all part of the four-month paramilitary training, which the immates, who have all been convicted of nonviolent felonies. have chosen over prison. But the superintendent cried openly over "I told them, 'You're a man,

you can cry anytime you want to," be said. I always knew boot camp kids work hard. But they amazed me. They were throwing sandbags and smiling, and I asked them, What are you smiling for?' The answered back, We're saving lives, sir!"

He sent the first 50 immates to Niota on July 2. The town was desperate for belo to fill sandbags and piln them along the levee.

"We went there with a purpose," said Dean Ramirez, 20, from Chicago's South Side. "We were there to save the town."

Most had never seen a levee before. Mr. Yance - who said that until boot camp be had made only one trip outside of Chicago, to the state capital, Springfield,

wounded a black child who was throwing

stones into his swimming pool. The police-man, William Beals Jr., was not at home

• Data in the computer files of the FBI's National Crime Information Center are in-

creasingly being misused by law enforcement

insiders, often for personal gain, congressional auditors say. The General Accounting

Office reported that criminal history records

have been sold to private detectives and law-

yers or given to local politicians looking for

· Scientists have created new forms of the

cancer drug taxol that may allow patients to avoid potentially serious side effects. Some

patients who take taxol suffer an allergic

reaction that can include wheezing a rash

scandal in the lives of opponents.

and changes in blood pressure.

when the fire broke out. . . .:

"When I got close to it, you know what I did?" he asked. "I dipped my bands in it, and ran it over my face. I didn't know when I'd ever get the chance to do that

The boot camp inmates threw sandbags from 8 A.M. until dark, for nine days straight, stopping only to eat and to sleep at a nearby work camp. "They got our respect when they showed us how hard they worked," said Mrs. Farr.

The immates all say they want to go back to Niota. That's the best thing I ever did in my life." Mr. Yance said. "I want to talk to my parole officer about going back to clean up."

He will be welcome. Niota held

a flood meeting last week. "We had a choice between having college students or the boot campers come back and belp us clean up. Mrs. Farr said. "Everyone wanted the boot campers."

■ At Last, Dry Forecast

causing the flooding in the Mid-west and parched conditions breaking up, news agencies re-ported Thursday. The emerging

• A finalist for the presidency of Michigan State University, Dale W. Lick, has with-drawn after a campus uproar over a remark

he made in 1989 that some black athletes are

• The former bank president whose multi-million-dollar theft set off the collapse of

Rhode Island's privately insured banking

system has been sentenced to 30 years in

prison, Joseph Mollicone Jr. was also ordered

to pay \$420,000 in fines and \$12 million in

Bacteria that mysteriously survived more

than three times the dose of chlorine that

New York City uses to assure water safety

have driven residents and office workers in

lower Manhattan to boil water, avoid ice

cubes and stock up on bottled water.

naturally superior to white athletes.

The weather pattern that has been locked in place over North America for at least six weeks. along the East Coast, is finally pattern promises drier weather

behavioral to anatomical.

between the ages of 15 and 25 make up about 70 percent of the 3,000 women a day who become infected with the AIDS virus and of the 500 women a day who die of AIDS.

In the United States, women ac-

grew 2.5 percent.

sharing of drug needles. A recent study of youths serving in the Job Corps showed that 4.2 women per 100.000 were infected with HIV as compared with 2.4 per

"HIV is into the leenage population and it's spreading quickly and silently." said Karen Hein, a specialist in adolescent medicine at the Albert Einstein College of Medicine in New York and director of the adolescent AIDS program at Monteflore Hospital in the Bronx. She said that half of the teenage

edge of the next wave of the epito the UN Development Program's cide when -or even whether - to effort to examine the impact of AIDS on economic developme and a spokeswoman for the study.

women was first noted in Africa some years ago, but it was not considered relevant to industrialized countries. In the early days of the pandemic, many experts considered African AIDS a different phenomenon from American or European AIDS, then overwhelmingly a disease of homosexual men and intravenous-drug users. The conventional explanation was that Africans bad high rates of other sexually transmitted diseases than predisposed them to HIV, especially by causing open sores on the

++Korea

Thores

pects of finding support elsewhere.

Mr. Kohl said he had told Mr. Clinton at bly pass there, but by as a little as one vote. 2 White House meeting that he felt that the gasoline tax should be dropped to erase the last vesuge of taxation on middle- and lower-class families and to deprive Republican critics of a political club in the debate.

summit conference.

Mr. Clinton's backers took some solace in the fact that both men, like Mr. Boren before them, pointedly refused to say that they were definitely opposed to the pack-

Young Women Now At High AIDS Risk, A UN Report Says

By Boyce Rensberger Washington Pust Service

WASHINGTON — Among sexually active people, those being infected with the AIDS virus at the fastest rate are women in their teens and early 20s, including many who have had relatively few sex pariners.

As women grow older, they be-come less likely to contract the virus even though, on average, their number of sex partners increases. Men, by contrast, do not encounter their neak risk until they are in their late 20s and early 30s.

Those findings, in a new report by the United Nations Develop-

According to the study, women

In most of the Third World,

where AIDS is overwhelmingly a heterosexually transmitted disease, according to the report, there are as many female cases as male and sometimes more.

counted for just 14 percent of AIDS cases last year, but the proportion is growing rapidly. Last week the Centers for Disease Control and Prevention reported that American women of all ages were coming down with AIDS foor times as fast as men. In 1992, it said, the number of women with the number of men with AIDS

Also in 1992, heterosexual transmission of HIV, the AIDS virus, became the leading cause of the disease in women, overtaking the

100,000 men.

girls at her clinic who are HIVpositive have had fewer than five sex partners.

The special vulnerability of

"I don't want to draw a line in the sand,"

"But things have changed," Dr. Hein said, "What people are talking about in Africa is really hap-

pening now in this country."

She said American girls were now having sex at younger ages than before, with the median age at first intercourse 15 to 16. And young people have high rates of other sexually transmitted diseases.

In addition, the UN program's study found, there are factors that put young women at much greater risk than young men.
One is anatomy. The tissue that

lines the vagina, and which can be injured during sexual intercourse, is very thin in early adolescence. Also increasing during that time is omen exerts several kinds of pro-

tactive effacts. Yet another factor, which affects women in their later teens and early 20s, involves a special type of cell that rings the opening of the cervix. It is these cells that the buman papilloma virus infects to cause cervical cancer and that researchers

suspect HIV infects to cause AIDS. In young women this "transition zone" of cells lies outside the cervical opening, where it is exposed to microbes that enter the vagina. As women mature, the zone moves to a less exposed position inside the opening. Childbirth, bowever, can move the zone back into an ex-

posed position. By far the most important bebayloral factor that makes young semales more vulnerable than young males. Dr. Hein said, is the low rate of condom use. This is AIDS climbed 9.8 percent while especially significant because girls older (and thus more likely to be infected). Boys, on the other hand. lend to have sex with girls their own age. Another factor is that young people bave a high rate of anal intercourse. As in men, the anal tissues are highly susceptible to HTV infection.

New Report on AZT

Appearing to contradict recent studies, a new report on the drug AZT concludes that the medication significantly slows the progression of HIV toward full-blown AIDS, The New York Times reported.

But scientists familiar with all the clinical trials of AZT said the data were consistent in essential ways and that the basic message remained the same: AZT is a moderately useful drug that can slow the course of AIDS in some panents for a limited period of time, "Adolescents are the leading and it is up to the patient, consulting with a doctor on the benefits "said Dr. Hein, a consultant and risks of the medication, to de-

Brazil Massacre Claims An 8th Young Victim

RIO DE JANEIRO - The eighth vicum of a massacre of young street people in downtown Rio de Janeiro has died of gunsbot wounds, a police spokesman said. Marco Antônio da Silva, 19, who

was shot along with seven street children, died Tuesday night. He had been in a coma since the shooting, the spokesman said. The others died immediately after masked gunmen opened fire on July 23. day that he had simply wanted Mr.

* POLITICAL NOTES

Ginsburg Wins Unanimous Confirmation

WASHINGTON - The Senate Judiciary Committee voted unanimously Thursday to confirm the appointment of Ruth Bader Ginsburg to the Supreme Court. Final approval by the full Senate. which is likely within a week, would put two women on the court for the first time. The vote was 18-0.

"I bave reservations about this nominee," said Senator Strom Thurmond, Republican of South Carolina. "But I will give her the benefit of the doubt."

"I'm impressed with her as a person," said Senator Patrick J. Leahy. Democrat of Vermont, "She's not somebody who's just read about the sting of discrimination. She's felt it."

Judge Ginsburg sailed through confirmation bearings last week, in contrast to Justice Clarence Thomas, who underwent a turbulent ride through the advice-and-consent process in the autumn of 1991. Senator Joseph R. Biden Jr., Delaware Democrat and the commit-

tee's chairman, promised quick floor action. "The goal was getting this voted upon before the August recess and it's my hope and expectation that this will occur," he said after the committee action. "This is one of the brightest nominees that has come before this committee," Senator Biden said. "She has a principal methodology for interpreting the constitution that recognizes and gives full weight

to those ennobling principles."

Senator Orrin G. Hatch of Utah, ranking Republican on the committee said: "President Clinton and I are unlikely ever to agree on the ideal nominee for a Supreme Court justice. But I do believe that a president is entitled to some deference in the selection of a Supreme Court justice."

Judge Ginsburg would succeed Associate Justice Byron R. White. The American Bar Association's committee on the judiciary rated

Judge Ginsburg "well qualified" and said she had "outstanding legal ability and wide experience" and met "the highest standards of integrity, professional competence and judicial temperament." (AP)

Senate Falis to Halt Filibuster

WASHINGTON - The Senate fell one vote short Thursday of breaking a Republican filibuster blocking action on President Bill Clinton's plan for a national service program.

Immediately after the 59-to-41 vote, Democrats offered to negoti-

ate further with Republicans demanding cutbacks in the administration's plan in permit college students to do public service as repay-ment for college tuition. The House bas passed similar legislation. Senator Edward M. Kennedy, Democrat of Massachusetts, the sponsor of the legislation, said in advance that the vote was a "litmus test" for whether Republicans were interested in working with

Democrats on publicly popular legislation.

But Republicans countered that the nation could not afford the \$2.1 billion National Service Trust program.

Perot to Campaign Against Clinton Package

WASHINGTON - Ross Perot says President Clinton's \$500 billion deficit-reduction package would "damage the country" and he promised to wage an aggressive campaign to defeat it.

The Texas billionaire declared in a telephone interview Wednesday that he would launch a television blitz and direct his organization, United We Stand America, in a concerted campaign to kill the president's plan. A House-Senate conference committee is expected to report the plan to the House and Senare by the end of this week, with final action scheduled for next week before Congress recesses for the summer Aug. 6.

An active campaign by Mr. Perot could deal a crushing blow to the Clinton plan, which is on shaky ground in Congress, and in turn seriously damage the president. Mr. Clinton has identified the sluggish U.S. economy and bealth care as the most important initintives of his presidency, and be has said his package of new taxes and spending cuts is a critical step toward improving the nation's long-term economic prospects.

Mr. Perot said his organization would oppose the plan "because it doesn't balance the budget." He added: "United We Stand will go in every congressional district and meet with all the senators. The American people bave no interest in a tax increase unless it balances

the budget eventually and this one doesn't." The organization, he said, is "already gearing up around the country," and he is planning to speak at a series of rallies.

Pointing out that the entire House and a third of the Senate will face re-election campaigns next year, Mr. Perol said it would be a tough campaign for anyone who voted for the package. "I would hate to be campaigning after voting for the plan," he said, "That's not a threat, it's based on an enormous amount of contact with the American people.

Quote/Unquote

Senator John B. Breaux, Democrat of Louisiana, about the handful of senators who have yet to commit their perhaps decisive votes on President Clinton's budget plan: "Shakies rule the day." (LAT)

SUICIDE: Evidence of Depression

Continued from Page I

bad suffered from anything more than ordinary ups and downs.

It was unclear how widely Mr. Foster's troubles had been known at the White House or whether anything he had done or said could have foreshadowed a suicide. Ms. Myers said Thursday that

the president knew the counsel's office had had its ups and downs, like a lot of departments around bere, that that was not unusual, but he had no reason to think that Vince was personally despondent or distressed or deeply troubled." Mr. Foster died July 20 in a roadside park along the Potomac

White House office; he had been sbot once in the head. Mr. Clinton acknowledged Wednesday for the first time that some associates of Mr. Foster's had been aware that he was "quite dis-

River several hours after leaving his

But the president said he had not been "really aware of that," even the night before Mr. Foster's death, travel office staff. when Mr. Clinton spoke to him for 20 minutes by telephone.

The White House said Tuesday that Mr. Clinton had telephoned Mr. Foster in part because be knew

his friend was "having a rough time" at work. But the president said Wednes-

Fester to join him and other friends - including Mr. Hubbell - in watching a movie and that their conversation bad focused mainly on work.

The president did not provide any details of the distress that others had observed in Mr. Foster. Neither did be say who be believed bad been aware of that distress. According to the person close to the Fosters, Mrs. Foster said after her husband's death that be had

been emotionally worn down by

crincisms of the counsel's office

reprimanded for his role in calling for an investigation of the White House travel office. According in this account, even when Mr. Foster was ultimately not criticized in an internal White House review of the travel office affair, he took it hard because a longtime friend, William Kennedy. an associate White House counsel.

was among those found to have

been at fault in the dismissals of the

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Japan Rattles Nuclear Saber at North Korea

By Sam Jameson
Los Angeles Times Service

TOKYO — Foreign Minister Kabun Muto has said that Japan must have the will to build nuclear weapons if necessary in the event of a North Korean nuclear threat, according to the Nihon Keizai newspaper.

Mr. Muto made the statement at own.

a news conference in Singapore af-ter assuring the Association of South East Asian Nations that Japan would offer unqualified support for an indefinite extension of the Nuclear Nonproliferation Treaty. The outgoing foreign min-ister also told ASEAN foreign ministers that Japan had no intention of building a nuclear arsenal of its

ty," Mr. Muto said Wednesday, according to the Nihon Keizai report. "If North Korea develops nuclear weapons and that becomes a threat to Japan, first, there is the nuclear umbrells of the United States upon which we can rely. But if it comes

Group of Seven economic summit go nuclear. meeting in Tokyo this month to support without qualification an eign ministers with their "dialogue indefinite extension of the nonpro- partners," including the United liferation treaty had aroused suspicions of Japan's intentions. A large suspicions were justified. down to a crunch, possessing the shipment of plutonium to Japan

"There is a clause in the NPT allowing withdrawal from the treature."

will that 'we can do it' is imporfrom France and fears of North Korean nuclear development led some outsiders to conclude that Jatus and the same of the conclude that Jatus and the conclude the conclude that Jatus and the conclude the because Japan's refusal at the pan wanted to keep a free hand to

In the meeting of ASEAN for-States, Mr. Muto denied that such

Before Japan can give unquali-fied support to an indefinite extension, he told the ASEAN conference, "some procedural matters" remain to be handled, including the persuasion of a small number of Jananese foes of the treaty. Opposition to the treaty exists in Japan because of sentiment that the accord favors nuclear powers and discriminates against nonnuclear nations, such as Japan. Some Japanese also fear North Korea's development of nuclear strength. he said.

"But we will make efforts to move in the direction of an indefi-nite extension of the treaty," Mr.

Mnto said. To the ASEAN ministers and officials of the "dialogue nations," he declared that Japan had no intention of going nuclear. Winston Lord, assistant secretary of state for East Asian and Pacific affairs. called Mr. Muto's statement "a very positive step forward in terms of extension of the treaty."

But his statement to the Japanese reporters implied that Japan need not oppose indefinite exten-sion of the treaty because of a clause that allows any nation to withdraw on three months' notice

South Korea Says

Default on Loans

SEOUL - The Foreign Ministry

said Thursday that it expected Rus-

sia to default on repayment of prin-cipal and interest on soft loans ex-

A ministry official said the Rus-

sian government had informed the South Korean Embassy in Moscow

unofficially that it was unable to

pay principal and interest on loans of \$1,47 billion because of its wors-

ening economic situation. With

tended by South Korea.

Moscow Plans to



VIETNAM MEMORIAL — Military personnel at the groundbreaking of the Vietnam Women's Memorial in Washington on Thursday. The statue depicts nurses tending a wounded soldier.

A Son of Shoguns to Take Over Japan

By David E. Sanger

New York Times Service
TOKYO --- When he was still governor of Kumamoto, a prosperous prefecture in on the southern island of Kyushu, Morihiro Hosokawa liked to tell the story about the time

he tried to move a downtown bus stop.

"For an advanced country, this is embarrassing," he told two Americans lingering over coffee in his sunny office one afternoon. "To move the stop a few hundred meters, I had to send a delegation to Tokyo. In Japan, you can't tie your own shoes without official

Over the years Mr. Hosokawa's bus stop story, told and retold, has become a meta-phor for his uncommonly harsh critique of his own country. Fattened by wealth and complacency, he argued that afternoon, Japanese had surrendered their country to turfminded bureaucrats and "poblicians who bow at every phone pole rather than think about the hroad problems of Japan." What Japan needed, he volunteered, was a version of Mikhail S. Gorbachev, a veteran of the system who was willing to shatter it.
In perhaps the oddest twist yet in the

explosive political events here in recent weeks, Mr. Hosokawa has been handed that chance. Only 14 months after he started the Japan New Party, an effort that the nation's smug political leaders once dismissed with a wave of the hand, he was tapped to become the head of a coalition government that seems destined to take power from the ruling Liberal Democratic Power for the first time since its creation in 1955.

By early next month when parliament votes, the tall 55-year old firebrand will be master of every bus stop and telephone pole in the world's second largest economy -and inheritor of a political system that by his own description has "grown moribund, and out of and the militarist policies that led to Pearl

touch with the realities of the rest of the Harbor, or whether he was manipulated by

But now that he appears on the verge of list of war criminals the United States sought coming to power far more quickly that anyone expected, there are already doubts about whether a man who revels in playing the outsider can achieve what he calls the "third opening of Japan." The first was sparked by the arrival of the American fleet in the 1850s. the second by the occupation forces that ran Japan when Mr. Hosokawa was a teenager. This one, Mr. Hosokawa says, Japan will

have to do on its own.

It will not be easy. Even before Mr. Hosokawa steps into the prime minister's residence, many in Tokyo suspect he is being set up to fail. Inexperienced in the ways of the capital, he may prove an easy target for the powerful bureaucrats he has lambasted. And the party he once belonged to, the Liberal Democrats, will be waiting for his fragile coalition of socialists and conservatives to splinter apart, looking for their chance to regain a grip on the nation few thought they would ever lose.

In a country that warms to predictability, Mr. Hosokawa is an unknown quantity, chosen by the coalition precisely because he appears untainted by endless stream of corruption and influence-peddling that has tarred most of the other leaders.

The direct descendant of one of the country's most prominent families of warlords and shoguns, Morihiro Hosokawa was born on Jan. 14, 1938, in the midst of another era of political chaos. At the time his maternal grandfather, Fumimaro Konoe, was prime minister, advocating a reduction in the West's influence in Asia and the rise of the Greater East Asia Co-Prosperity Sphere. Historians still argue over whether Mr. Konoe was a moving force behind the invasion of China

military forces. But his name was high on the to put on trial. He killed himself just before he was supposed to enter custody in late 1945, when his grandson Morihiro was seven years old.

In a journalistic and political career that spans 30 years, Mr. Hosokawa has usually followed his own advice — until recent weeks, when he has said surprisingly little about the political upheaval happening beneath his feet.

A graduate of Sophia University, he went to work in 1963 for Japan's most liberal oewspaper, the Asahi Shimhun. As a reporter there, he covered the tumultuous demonstrations on college campuses. He wrote about social change in a time when Japan's economic growth seemed boundless, and about the end of an epoch, be said later, when "catching up with the West was the all-absorbing and overriding goal."

But he soon quit the job for politics, run-ning under the Liberal Democratic flag for less-powerful upper house of parliament. He won at age 33, and spent the next 12 years in the parliament, serving in a range of secand-tier posts. He later recalled watching the Japanese system at work, in which the members of parliament become "mere tools of government agencies, constantly trying to re-flect the ideas of hureaucrats in party deci-

"I was appalled," he concluded. He returned to Kumamoto, where the Ho-sokawa daimyo (fieldom) had lasted from 1632 to 1868. Elected governor in 1983, he quickly gained a reputation for energy and in economic development. The area's rice fields are now dotted with technology parks and semiconductor plants, and has become Japan's equivalent of Silicon Valley.

RAIDS: Israel Sends Tanks Into Southern Lebanon

Continued from Page I ble" of controlling the Hezbollah,

Officials said Mr. Rabin was quickly approaching a difficult choice. Given his statements in re-cent days, he cannot simply halt the fighting as long as the rockets are being fired into Israel. But at the same time Israel seems to be getting nowhere with the massive bombardment, which has failed to stop the Katyusha attacks, and is drawing international criticism, of-ficials said. Thus, Mr. Rabin would like a mutual cease-fire, but without one he will keep the Israeli

guns firing, they said.
"I bope this will not turn into a war of attrition," Mr. Rabin said. "We have burt the Hezbollah, but

"The Hezbollah shouldn't think that we stand with a stopwatch in our bands and that we have decided we will stop the attacks in two or three days," said the army chief

An official said the South Koreof staff, Ehud Barak. an position on the issue had yet to be formulated. Another official at An army spokesman, Colonel Raanan Gissin, told reporters, the Finance Ministry said Moscow We hit them hard and at each asked Seoul for talks to discuss point we stop and see whether they rescheduling of the debt. have gotten the message we have beaten into their heads."

After South Korea and the for-Mr. Rabin suggested Thursday mer Soviet Union established dipthat Israel hoped to permanently disable Hezbollah's guerrilla forces lomatic relations in 1990, Seoul put together a complex package of loans worth \$3 billion altogether. in areas north of the "security

rael has tried to fight Hezbollah largely within the zone, which was established as a buffer after the 1982 Lebanon War. But in his re-marks Thursday, Mr. Rabin said the Israeli offensive was aimed at keeping Hezbollah from firing rockets in the area north of the

We cannot tolerate a situation in which the settlements along the Israeli-Lebanese border will become hostages in the hands of Hezbollah," Mr. Rabin said.

"We will continue operations until we achieve our goals," he

More than 30 Hezbollah rockets hit northern Israel or the border zone on Thursday. Northern residents contacted by telephone reported one minor injury and limit-ed damage, including a gas station that erupted in flames.

- DAVID HOFFMAN Christopher Trip Is Set Secretary of State Warren M.

without a cease-fire in Lebanon, but he is pushing hard for an end to the fighting. Reuters reported from There are no changes in the

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Christopher plans to go ahead with a trip to the Middle East, with or Washington, quoting State De-

zone," which Israel occupies in secretary's plan to be in the region southern Lebanon. In the past, Isto work on the peace process next week, but I think he would certainly prefer to be focusing on the core substantive issues that are at the beart of the peace talks and not hostilities on the ground," a State Department spokesman said.

Syrian Role Is Disclosed

Syria helped to ship anti-tank rockets and other weapons sent by Iran to Hezbollah guerrillas days before the latest fighting, U.S. officials said Wednesday as reported by The New York Times in Wash-

Disclosure of the shipments came from Representative Tom Lantos, Democrat of California, in testimony before a House Foreign Affairs subcommittee by the director of central intelligence, R. James Woolsey.
'Two weeks ago, on July 15,

Syrian armed guards stood by at Damascus International Airport as an Iran Air 747 unloaded anti-tank rockets and a range of other weapons," Mr. Lantos said in a statement confirmed by other government officials.

The weapons "were promptly trucked off to Lebanon under mili tary escort for use by Hezboliah to intensify its attacks on the settlements in the north of Israel," the congressman said.

JAPAN: Coalition Picks a Populist With a Mandate to Lead Country

Continued from Page 1

Mr. Hosokawa, a former governor of prosperous Kumamoto Prefecture in southwestern Japan and the grandson of a wartime prime minister, is a man of modest national political experience.

He will be leading a coalition of conservatives who have insisted they will abandon years of pro-big business policies, and of socialists who have promised to abandon decades of resistance to Japan's mili-

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tary and to the country's nuclear power plants.

Many business leaders have supported the nascent two-party sys-tem taking shape, despite their massive financial support for the Liberal Democrats in the past, and have given tacit approval to the coalition. But they have already started to indicate that they want results rather than vague policy statements and too heavy a focus on reform of the electoral system as

"People are talking too much about political reform," said Minoru Murofushi, president of Itochu, one of Japan's largest trading com-

panies. "It is important, but we need economic recovery more." The coalition has laid out a series of policies that could, over time, have a major impact on the economy and on Japanese society. In the economic sphere, it said it

would introduce a package of gov-

ernment spending programs to stimulate the wobbly economy and

consider reducing individual taxes. outstanding interest, Russia owes It also promised to reform the tax South Korea some \$1.56 billion. system, which has placed a heavier burden in recent years on middle class wage earners. Both measures could reduce Japan's trade surplus by encouraging more imports.

It has promised a major campaign of easing the heavy regulations under which the economy labors and of decentralizing the government so that more decisions are made on a local level rather than by central government

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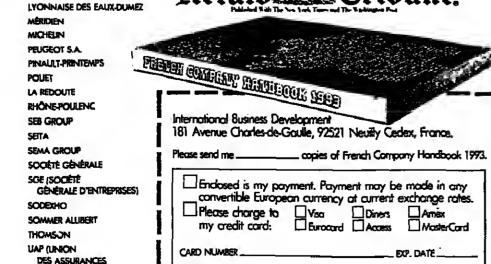
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Few Mideast Leaders Lament Raids on Hezbollah

By Youssef M. Ibrahim

New York Timer Service

CAIRO — The Israeli military raids on the Iranian-sponsored Hezböllah fighters in southern Lebanon bring a long-simmering confrontation between Israel and Iran to a new threshold. But Iran and its allies in the region may find little sympathy, even within the ruling circles of Syria, Tehran's longtime strategic partner and only Arab friend.

Despite widespread condemnation of the attacks in Arab capitals, it is difficult to escape the impression that many decision makers in the region welcome any blows desict to the radicals in their midst. most particularly Islamic (undamentalist allies of Iran and the most radical fringes of the Palestinian movement.

"Beyond the bases of the Hezbollah, there is a question over Iran's right to have any presence at all at the point where Arab-Israeli confrontation lines meet and over the future of Israeli-Syrian ties in Lebanon and in the region," Ghassan Shirbil, an analyst of Arab affairs, said in

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Asharq al Awsat, a daily Saudi newspaper based in London, in a front-page editorial that captured the Arab mood.

It remains to be seen what Syria's reaction will be to the Israeli assault on Lebanon, a country under Damascus's tutelage, especially because at least two Syrian soldiers have died in the Israeli assault. But there is little doubt that since the current series of Middle East peace talks

NEWS ANALYSIS began in October 1991, the views of Syria

and Iran about the future of the region have diverged significantly. Among other things, the entity loward Iraq that bonded Syria and Iran throughout the 1980s has become pointless as the enemy in Baghdad has become a shadow

of its old fearsome self. And Syria has repeatedly asserted that it is committed to continuing the Middle East peace effort, which Tehran has

pledged to sabotage. Israeli attacks on military bases of Ah-

med Jebril, the leader of the Popular Front for the Liberation of Palestine-General Command, can only please the Palestine Liberation Organization, which is deeply involved in the peace effort. The PLO is also fighting renegade organizations like Mr. Jebril's, which call for continued armed struggle until Israel has been eradi-

. Even Lebanon, which appears at times a helpless spectator of high-stakes confrontations between regional forces on its land, cannot escape the conclusion that the peace and security it badly needs for the reconstruction of a land devastated by 15 years of civil war cannot be secured as long as an armed militia in the south acts with orders from Tehran to attack Israel's northern borders.

For Israel, the raids underline an end to a notion that lingered among parts of the military and intelligence establishment mtil the late 1980s. This notion was that there were mainstream elements in Iran with whom deals might be made to pacify southern Lebanon.

The Hezbollah, or Party of God, has emerged as the ideological Trojan horse of the Iranian Islamic revolution, with branches and tributaries in various Arab countries.

It came into existence as a result of a strategic accord signed between Syria and Iran in 1983, which permitted Iran to form a Shiite armed militia in the Bekaa region of eastern Lebanon, which is under Syrian Army control.

Until two years ago. Syria looked upon the connection between Iran and Hezbollah as an option it could play to press the Israelis into making more concessions in trading Arab land for peace. But now. Syria's goal of securing the

return of the Golan Heights, taken from it by Israel to the 1967 war, appears more attainable in peaceful negotiations. And there is a great deal of doubt about

Syria's willingness to fight Israel to pre-serve the Hezbollah's right to continue harassing Israel's northern borders, particularly after the demise of Syria's oncemighty military sponsor, the Soviet Union.

IVAN: Demjanjuk Is Set Free on New Soviet Evidence

emotion, periodically yawning and

Continued from Page 1

the human judge," he said. "Obscurity remains." The court was highly critical of Mr. Demjanjuk's statements, saving his alibis had been refuted by historical documents.

At the same time, the court was critical of the new evidence - the statements from the Soviet guards - all of whom are dead. Judge Shamgar said that the authenticity of the statements had never been established and that it was not known where the documents came from or how the interrogations were made.

came available only in the last two KGB. years, created enough doubt to overturn the conviction. In most of the statements, the guards referred to a Ukrainian at Treblinka named Ivan Marchenko.

Mr. Demjanjuk, who has been in

looking out at his son. John Jr., and daughter's husband, Edward Nishnic, in the courtroom.

"I miss my wife. I miss my family. I miss my grandchildren." he shouted to reporters. "I want to go home."

In 1989, one of Mr. Demianiuk's lawyers committed suicide. At the funeral, a Treblinka survivor threw seid in the face of Yoram Sheftel, the other defense lawyer, whose left eye was injured. These incidents postponed the appeal just long enough for the Soviet Union to collapse and for critical files on the These 61 written accounts, some case to be dislodged, in some indating to the 1940s but which be- stances from the archives of the

> "It is clear to me that without the material found in the former Soviet Union, Demjanjuk would have been executed," Mr. Sheftel said.

The high court said there was clear and unequivocal evidence solitary confinement for seven that Mr. Demjanjuk trained and years, listened with headphones as the verdict was translated into his which was a camp in Poland set up charges of instigating the loss of the verdict was translated into his which was a camp in Poland set up charges of instigating native Ukrainian. He showed little for SS prison guards who were destate company funds.

railed to the death camps. The court also found strong evidence that he was assigned to an extermi-nation camp. Sobibor. based on the statement of a fellow worker.

Papandreou Accepts **Libel Sum From Time**

The Associated Press

LONDON - Former Prime Minister Andreas Papandreou accepted an undisclosed sum for damages and court costs from the publishers of Time International Thursday to sende a libel suit.

Mr. Papanoreou's lawyer, Karen Sanig, told a judge at the High Court Thursday that a March 13, 1989, article in Time International suggested that Mr. Papandreou accepted bribes from the owner of a bank and threatened to have him murdered. In January 1992, a spe-

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No to Beijing in 2000

In legitimate protest against China's inhuman record on human rights, the U.S. House of Representatives has registered its opposition to Beijing as host for the Summer Olym-pics in the year 2000. The Senate should do the same quickly - before its vacation. The site for the turn-of-the-century Games will be picked by the International Olympic Committee at a meeting in Monte Carlo in September. Sydney is rated most likely to get the nod, but there are still four other bidders besides Beijing

- Berlin, Brasilia, Istanbul and Manchester. In fanciful theory, the Olympics are free of politics and the location is none of Congress's business. But politics intrudes all the time. Witness the American boycott — supported by China! - of the Moscow Games in 1980 over the Soviet intervention in Afghanistan, and Moscow's retaliatory boycott of Los Angeles in 1984, as well as the 32-year suspension of South Africa because of apartheid. And while Washington has no official voice in IOC matters, and does not appoint IOC members, Congress is free to express its view on anything it wants — in this case, the rights of one-

fifth of the human race. An IOC vice president, He Zhenliang of China, has condemned Congress's interest as "an infringement of the Olympic principles" and "unacceptable." U.S. Olympic officials and Senator Ted Stevens of Alaska, among others, have made similarly hollow arguments. But the House resolution takes the wiser view that China's violations infringe on

The massacre near Tiananmen Square of

demonstrating students in 1989 symbolizes the brutality of China's ways. It is Beijing's best known horror, but it was just a brief, awful moment compared with the ongoing jailing of dissidents, suppression in Tibet, the nationwide repression of religion and the national policy of forced abortions and sterilizations.

The State Department's latest annual report on human rights practices around the world said that China's "have remained repressive, falling far short of internationally accepted norms," and that the government still had not accounted for "thousands of persons" detained at the time of the 1989 demonstrations. Incredibly, the man who was Beijing's mayor in 1989 and called for a crackdown on the demonstrators is now chairman of the city's Olympic Bid Committee.

The House vote was 287 to 99, on a resolution introduced by Tom Lantos, Democrat of California, with an ideological rainbow of cosponsors. The resolution "strongly opposes" staging the 2000 Summer Games in Beijing or anywhere else in China, and "urges" the American delegate to vote against it.

Mr. Lantos and Senate sponsors of similar resolutions - Dennis DeConcini of Arizona and Bill Bradley of New Jersey - sensibly hold out the prospect of Games in Beijing four years later, in 2004, if China shows more respect for human bberties by the time of the selection in 1997. But for now, let the Senate stop bickering long enough to cast this impor-tant symbolic "no" vote for the year 2000 — a "yes" vote for humanity.

-THE NEW YORK TIMES

Doing America's Part

Bill Clinton had promised to protect besieged United Nations peacekeepers in Bosnia, if asked, and so he could not possibly say "no" when the request came. French ground troops have been under hostile Serbian fire at Sarajevo, one of six UN-designated "safe ar-eas" for Muslims, and American aircraft assigned to NATO now will be sent to defend them. Some important particulars of planning and consultation evidently remain to be done, but it is expected that the United States will start providing air cover in Sarajevo within the next several days. This is not the solution to every problem of American policy in the Balkans, but it is a right and necessary thing to do. President Clinton said on Wednesday that

he did not know whether American intervention would be enough to deter aggression, save Sarajevo and bring the parties to the table — actually, they are already at the table
— but that the United States would do "our part." It has never been entirely clear just what he considered "our part" to be, and is not now. In any event, the evidence of the past few days is that it may be a somewhat changeable and flexible thing. The entry of American forces into battle, under whatever terms, is bound to be an event in the Yugoslav wars. It compels all the local parties to recalculate

their policies in light of what they think the Americans might do next. In particular, the Serbian attackers, who are in their second year of murdering the people of Sarajevo, must now decide whether they wish to add Americans to their list of targets.

To send Americans into combat, even on a restricted mission, is always a grave decision for an American commander in chief, and it is a particularly delicate one for this president. He must deal with a public numbed by the death and suffering in Bosnia but uncertain about its impact on the American national interest and wary of being drawn into a deeper engagement.

The dispatch of air cover for UN peacekeepers, however, does meet the principal criteria that Mr. Clinton laid down for a military role; a limited and purposeful mission undertaken under UN resolutions and in full consultation with the allies; presumably there will also be full consultation with Congress and the American people as well. By belping to firm up the "safe areas" for Bosnia's Muslims, the United States can strengthen their negotiating position and save lives. Most of all, it can demonstrate that it has not turned its back on the Balkan agony.

-THE WASHINGTON POST.

What About Foreign Aid?

This was supposed to be the year in which America's foreign aid program experienced the comprehensive restructuring long sought by supporters and opponents alike. It was also to be the year in which a new administration committed to sustainable economic development and the eradication of poverty would provide leadership in targeting aid money on poorer nations that are taking the right measures to raise living standards. Unfortunately, the opportunity for achieving both ends is fading fast. If the moment is lost, the Clinton administration will have itself to blame.

The time was ripe for addressing the host of aid reform issues when the House Foreign Affairs Committee considered the foreign assistance authorizing legislation earlier this year. The chairman, Lee Hamilton, and his Republican counterpart, Benjamin Gilman, had produced a first-rate reform package four years ago and were eagerly awaiting an administration that had a genuine interest in fixing foreign aid. But the Clinton administration was unprepared to engage the House in a serious discussion, despite earlier pledges to have a restructuring plan ready for Congress in the spring. The Senate Foreign Relations Committee is faced with a similar dilemma: it

is ready to tackle the problems as well. But the Hill has been stymied by interminable executive branch reviews and turf battles that have left the reform plan languishing in the inboxes of senior bureaucrats.

Meanwhile, it is close to business as usual with the foreign aid appropriations bill. As the administration meanders, the House has sent to the Senate a spending bill that chops away at what is already a tight aid request.

The bill's huge engines — aid to Russia, Israel
and Egypt — almost guarantee that most of
the administration's money requests will safely pass through Congress in spite of overall liget constraints. But a terrible price is being paid as a result. To make room for these politically inviolable items, programs that serve the poorest of the poor — the World Bank's International Development Association, the Agency for International Development's fund for Africa - had to take serious hits in the House passed bill. What is worse, people in the world's poorest nations must bear the burden of cuts in order to fund aid to Ireland, Portugal, Greece and Turkey and - unkindest of all -\$7 million for African elephant conservation. Where is the administration?

- THE WASHINGTON POST

Other Comment

Deterring the North Koreans

If Kim Il Sung gets the bomb, it would set off a strategic earthquake across the region, in effect forcing Seoul and then Tokyo to reconsider their no-nuke position. Simply put, Asia is not ready for a nuclear-armed Japan, and the resulting upheavals might easily make Bosnia and Somalia look like sideshows. This is why Asians are heartened by news that the U.S.-Korean talks in Geneva may ultimately lead to the North's opening its sites for inspection. Even more gratifying in Asian leaders was Mr. Clinton's decision to visit the demilitarized zone and give unequivocal support to his South Korean ally.

While the American security umbrella re-

mains the most important guarantor of Asia's security (as well as its prosperity), many wonder whether the withdrawal from Snbie Bay naval base and the inevitable scale-back from Cold War levels signal disengagement. Mr. Clinton says "no," but the signals coming from his administration are mixed. In particular, the dramatic cuts in the U.S. military budget threaten America's deterrent capabilities. Whether U.S. and South Korean leaders believe that force is necessary to take out North Korea's nuclear program is a question we cannot answer. But surely North Korea will take U.S. warnings seriously only so long as the United States and its allies have the capability for doing so. -- Far Eastern Economic Review (Hong Kong).



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Impose Corridors in Bosnia and Arrange a Settlement

S ALONIKA, Greece — The international community appears content to wash its hands of Bosnia-Herzegovina. Yet before we settle too comfortably in our seats for a spectacle of unimaginable carnage, it is worth remembering that Bosnia-Herzegovina and the Balkan Peninsula have not yet washed

their hands of the international community.

If the fighting does not stop by the end of October, at the very latest, the danger of the southeast European security situation deteriorating into a morass like the one that preceded World War I will become acute. What is at

stake is the stability of Europe.

Another strife-ridden winter in Bosnia will lead to the deaths of bundreds of thousands of civilians at the hands of heavy artillery. exposure and hunger. Already the office of the UN High Commissioner for Refugees in Sarajevo is warning that a network of effective corridors must be established within three weeks to provide bumanitarian aid to Srebrenica in eastern Bosnia. If this does not bappen, the UNHCR says, it will have no choice but to organize the evacuation of the 40,000 inhabitants and refugees in the town. Until UN corridors and safe areas are established. President Bill Clinton's offer to

meaningless, because alone it cannot promote the delivery of bumanitarian aid. Without the corridors and safe areas, the fate of Srebrenica will be repeated in Gorazde and Zepa and finally in Tuzia and in Saraje-vo, where some 300,000 people are threatened by death or displacement. Tens of thousands more are threatened by the fighting between Muslims and Croats in Mostar and by other

support UN troops with air power will be

struggles in central Bosnia. Western Europe and the United States need to protect the civilians in Bosnia out of self-interest. If they don't, the powerful historical forces that drive the Bosnian conflict will gain further strength as they wreak havoc not just in the Balkans.

The Clinton administration's preferred so-

THE PARTY OF THE P

CONSTANT INTERRUPTIONS!

HONESTLY! THESE

By Misha Glenny

lution -lifting the UN arms embargo on the Bosnian government — was never anything less than a naive illusion. A cursory reading of European history would have suggested that in no circumstances would Russia tolerate such a move, as Boris Yeltsin has stated unambigoously. The United States would have been forced to act unilaterally, destroy-

If the international community does not take preventive action, the Balkans will drown in blood, and tensions between powers in the region, notably Russia and Turkey, will boil.

ing the delicate mechanism of consensus that the Security Council still just about offers. An end to the embargo would exacerbate the conflict in the Balkans and encourage radical elements in Serbia and Croatia. The enforcement of UN safe areas along with a political solution negotiated in Geneva represents the West's only chance to avoid a catastropbe that would surely provoke armed conflict in the southern Balkans.

I NTERVENTION involving ground troops would not influence the military outcome

of the Bosnian conflict. President Alija Izetbegovic, the Muslim leader who heads the Bosnian government, must recognize that he has lost the war against the Serbs, and negotiate accordingly.
If he does not, the Serbs will undoubtedly seal their military alliance with the Crosts and break the resistance of the Bosnian army.

ANNOYING!

Mr. Izetbegovic's aim in the negotiations in Geneva must be to extract as much territory from the Serbs as possible and to save the Bosnian Muslims from physical liquidation. Partition may be a hard, perhaps toxic, pill to swallow. Yet the inability of the international community to prevent the outbreak of the war

in the first place has made it inevitable.

But the international community has no time left to watch the drama in Geneva unfold. It must act immediately to establish by force corridors that can protect the movement of humanitarian aid to the major urban centers. In addition, substantial forces must be deployed around the six safe areas - to which Mostar, Breko and the Maglaj-Zepce-Zavidovici triangle must be added.

ATTACKS by any of the three parties on ntilities and installations under UN protection must be answered with force. The use of beavy artillery against Bosnian civilians must cease. Muslim and Croatian artillery stationed in the safe areas would have to be taken under UN control. The Security Council has passed all the resolutions needed to set up the safe zones. There is no credible excuse

to postpone their creation.
Senior NATO figures, including General
Colin Powell, chairman of the U.S. Joint
Chiefs of Staff, have argued convincingly against any use of force in Bosnia if the political aim of such action is blurred. But the aim of the safe zones, always in combination with negotiations toward a political solution, is explicit: to stop the extermination of Bosnian Muslims and to prevent a large-scale dis-placement of people into other Balkan areas.

The war began as a conflict among the political elites of Serbia, Slovenia and Croatia. During the war in Croatia, the struggle adopted several characteristics of a nationalist war. In essence, the war in Croatia, and later in Bosnia, has been an attempt by Serbs and Croats to define the borders of their new nation-states by force.

ABSOLUTELY

INTOLERABLE

In Bosma, both failed to take into account the fact that for the first time in history the Muslims understood themselves to be a separate nation, making the struggle even more complex and violent than the civil war in Yugoslavia between 1941 and 1945 that ac-

companied World War II.
The multicultural cosmopolitanism of Sarajevo has distorted Western perception of the war in Bosnia-Herzegovina. Outside the urban areas, people have never referred to themselves as Serbs, Croats and Muslims but as Orthodox, Catholic or Muslim. As a consequence, after the war spread from Croatia to Bosnia-Herzegovina, it increasingly assimilated the characteristics of a religious struggle, defined by three great European faiths the confessional detritus of the empires whose

frontiers collided in Bosnia.

The belated formation of nation-states on disputed territory in the Balkans has coupled with the religious war to engender a hideous

mutant of European history.

In the two years since the war began, the international community — in particular the United States, Germany, Britain, France, Russia and Turkey — has been unable to develop a policy of consensus to kill the beast. If the community does not take preventive action, the southern Balkans will drown in blood, and tensions between powers in the region, notably

Russia and Turkey, will boil.

The anvils of violence working overtime in Bosnia are forging three mighty religious axes in central, eastern and southeastern Europe.
One links Rome with Zagreb via Bonn. The second joins Athens with Belgrade and possibly Moscow, while the third stretches from Zenica (the militant Bosnian Muslim city north

of Sarajevo) to Istanbul and the Middle East. German support for the disastrous policy of premature recognition for Croatia was in part influenced by Rome through the offices

of the German Catholic hierarchy. Russia's foreign minister, Andrei Kozyrev, has admitted that Moscow's sympathy for the Serbs is to a degree influenced by the pressure that nationalists in Orthodox Russia have placed on Boris Yeltsin.

President Clinton's attempt to lift the UN arms embargo on the Bosnian government was based partly on the perception that Turkey has become crucial to American strategic interest in the Near East, surrounded as it is

by oil-rich Azerbaijan, Iran and Iraq.
These contradictory interests in the Balkans resulted in the international community's inability to develop a coherent, united policy that could combat the spread of war in the former Yugoslavia. It has encouraged the growth of pan-Orthodox, pan-Catholic and pan-Islamic

sentiment in southeastern Europe. Marshal Tito quelled the vicious war of 1941 to 1945 in Yugoslavia by denying the Croats and Serbs their national rights. Although using undemocratic methods, he succeeded within two or three years in returning the ruthless Croatian, Serbian and Muslim warriors to their

alternative state: that of docile peasant. It is now up the UN Security Council to revive Tito's acclaimed role. Naturally, it cannot impose a one-party state. It must stifle the military zeal on all sides and then invent a political mechanism to deal with the two central causes of the tragedy: disputed bor-

If the United Nations allows an uncon-trolled denouement in Bosnia, it must sit back and watch the southern Balkans burn. Will the rest of Europe catch fire?

via," is preparing a history of Balkan nationalism since 1848. He contributed this comment to The New York Times.

For Hong Kong's People, a Bad Agreement Is Not the Solution

HONG KONG — When Douglas Hurd, Britain's foreign secretary, traveled to Beijing recently, he said it was to take the message to Chinese leaders that the Chinese-British negotiations on arrangements for elections in Hnng Kong in the mid-1990s must yield an agreement soon. When Yeung Sum, vice president of the United Democrats of Hong Kong, and I met Mr. Hurd and British government officials in London on Tuesday, it was to tell them that as far as the people of Hong Kong are concerned, no agreement with Chi-na is better than a bad agreement.

Governor Chris Patten arrived on the scene 12 months of Chinese invective ago. Prior to his arrival, Beijing had been fully conditioned to believe that it could obtain whatever political concessions it wanted from a British government locked in a perpetual kowtow. In particular, China was de-termined to assume a veto power over all major decisions in Hong Kong before 1997 and to ensure that all future matters would be discussed bilaterally between China and Britain, leaving no place for the Hong Kong people to help decide their own future.

After an impressive start, in which he sought to listen to local opinion and respect the right of the people of Hong Kong to have a say over their future, Mr. Patten now seems to have reverted to the old colonialist pattern of secret diplomacy in which the peo-ple are kept completely in the dark.

Soon after Mr. Patten was named governor, all 18 of the democratically elected members of Hong Kong's Leg-islative Council signed a letter to Prime Minister John Major. In it, we alled on Britain to allow at least half of the council to be democratically elected in 1995. We reminded him of Britain's promise at the time it signed its 1984 Joint Declaration with Beijing that it would use the 13-year transition period before 1997 to institute a democratic system of government so that, by the date of the handover to China, Hong Kong people would have a gen-

uine chance to rule Hong Kong. We further stressed that without a democratically elected Legislative Council, Hong Kong after 1997 would have no effective check on the potential abuse of power by the Beij-ing-appointed chief executive and no safeguard for the rule of law. The appointment last month by Beijing of the working body to establish the Special Administrative Region Prepara-tory Committee, a de facto shadow government, further confirms fears of the type of unelected yes-men and yeswomen Beijing plans to install in the Hong Hong special region after 1997.
While Mr. Patter rejected our unanimous call for 30 democratically

By Martin Lee elected seats in the 1995 elections, he

nonetheless devised a series of reform proposals. His reforms, now in the form of a bill, would significantly broaden the franchise in the rotten boroughs of the functional constituencies and make the Election Committee, which will return 10 of 60 members, a genuinely elected rather than appointed body. Although Mr. Patten's proposals

fell short of offering genuine demo-cratic elections, the people of Hong

HONG KONG — With 47 months to go before the British flag is taken down for the last time on June 30, 1997, Hong Kong is rapidly remaking itself in Beijing's image. Now that China is at least semi-capitalist, this should not prove too diffi-cult. Hong Kong is well on the way to laying the foundations of the Chinese model characterized by a mixture of corrupt semi-capitalism, a controlled press, an intimidated judiciary and an absence of buman rights.

The transition from Hong Kong's currently self-censored press to out-right official control should not be a difficult one, except for those foreign publications that insist on adherence to Western standards of journalism. Not only is recorded corruption on the rise in Hong Kong, but the Chinese pattern of using political power

to influence economic decisions is becoming prevalent. From the viewpoint of Beijing and its big business allies in Hong Kong. the only flies in the ointment are two outstanding individuals: Governor Chris Patten and the lawyer-democrat Martin Lee. Both are coming under tremendous pressure instigat ed by China to mend their ways.

The governor, who only last October proposed as much democracy as possible for Hong Kong and insisted on its people being given a say in deciding their own affairs, has recently backed down. He has retreated to the old form of secret diploma-cy between London and Beijing, which results in China getting what it wants and Hong Kong being presented with a fait accompli.

This leaves Martin Lee. Unlike the emor, Mr. Lee is not leaving in 1997. He is prepared to fight for the cause of democracy and freedom in Hong Kong. He also enjoys over-whelming public support among ordinary people of the territory, who cannot cut deals with China and cannot leave in 1997. Beijing does not Kong were taken with the enthusiasm with which he defended them and his willingness to hold public forums and discuss issues. Most importantly, he assured the Hong Kong people that it would be up to them to decide on the key issue of political reform. They would have to take a stand and make difficult choices - but they were assured that the days of London and Beijing striking secret deals behind their backs were over. How ironic it is that one year after

By George Hicks

want to make so popular a figure as Mr. Lee into a martyr. Instead, it is seeking to isolate, marginalize and

The process of isolating Mr. Lee

tonk a great step forward recently when Hong Kong's leading legal firms effectively treated him as a

after the brutal and bloody suppres-

sion of the pro-democracy move-ment in China in June 1989.

famatory and wants to sue to clear his

name. Although the Hong Kong legal

profession has long been considered liberal, democratic and dedicated to

the defense of the rule of law, it has

suddenly become obvious that the

choice between defending the rule of

law and incurring the wrath of Bei-jing is worth making. Hong Kong,

after all, was built on opium, not on high principles. Why should anyone put ethics in front of profits? By late afternoon on Thursday, Mr.

Lee had approached and been turned down by 18 law firms in Hong Kong.

The territory has some 400 law offices

but Mr. Lee only approached those who were not thought to be pro-China and with whom he had good contacts.

His depressing experience is not unique. The Hong Kong Alliance in support of the Patrionic Democratic

Movement of China incurred the en-

during wrath of Beijing when it or-

ganized street protests in Hong Kong to protest the suppression of the democracy movement in China.

The alliance brought at least a mil-

lion people into the streets of the

territory. Subsequently, because of

Mr. Lee considers this charge de-

reduce him to irrelevance.

his arrival and nine months after his widely praised policy speech, he in-creasingly resembles his predecessors. It is important to remember that under the terms of the Joint Declaration, even after 1997 the only areas reserved to the government in Beijing are defense and foreign affairs. Since local elections have nothing to do with

DANZIGER

either defense or foreign affairs, the arrangements for the elections should thus be a subject entirely for the people of Hong Kong to decide.

Mr. Patten still promises that if the secret talks do produce an agreement.

More Victims of the Secret Diplomacy

pressure from Beijing and its agents, the alliance found it exceedingly dif-ficult even to hire an accounting

firm to audit its books. With Governor Patten's retreat on his democratic reforms and with Mr. Lee a legal untouchable, the way is now clear for the rapid Sinification of the territory. The longtime alliance between Beijing and the Hong Kong business elite has now been joined by pariah. When he attempted to sue simon Li—a high-profile, pro-China, retired judge—for defamation, be could not find a legal firm in Hong Kong to take up his case. Mr. Lee had been accused by Mr. Li of advocating a run on Chinese banks after the bratel and bloody suppress. the Hong Kong legal profession. The victim is the territory's most precious ewel: the rule of law.

The writer, an economist and author several books on Asia, contributed this comment to the International Herald Herald Tribune.

the Legislative Council will have a chance to vote on it. However, even now Beijing has taken the uncompro-mising position that, as any Chinese-British agreement on the 1995 election would be between sovereign powers, Hong Kong legislative councillors have no right to amend it.

If there is an agreement, it is all too clear that Mr. Patten will present the council with the same empty 'choice" that his predecessors presented Hong Kong on the Joint Dec-laration in 1984 and the Court of Final Appeal agreement in 1990. With his political reputation on the line, the governor will make the exact argument his predecessors did: If legislators seek to amend, Beijing will not accept those amendments and the deal will be off.

After an impressive start, it is sad to see the change in Mr. Patten's governorship. If he guts his own reform plans in a deal with Beijing, and if Britain decides finally that it will not allow for any significant degree of democracy in Hong Kong before 1997, there is little reason for the colunial government to remain. The takeover of the territory by China will simply bave occurred four years ahead of schedule.

The writer, chairman of the United Democrats of Hong Kong and a demo-cratically elected member of the Legisla, tive Council, contributed this commen to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Siam Gives Way

PARIS - Prince Vadhana, the Siamese Minister in Paris, called on M. Develle, the Minister of Foreign Affairs, yesterday [July 29] and in-formed him that the Government of Siam, in presence of the measures decided upon by the French Government, accepted without restrictions or reserves the ultimatum sent on July 20 last in all its terms - rectification of the frontier with the left bank of the Mekong as limit, payment of an indemnity, immediate payment of three millions and pun-ishment of those guilty of acts prejudicial to French subjects.

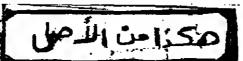
1918: German Change

WITH THE AMERICAN ARMIES Disturbed at the steady advance of the Franco-Americans north of the Marne and Ourcq, the Germans have brought first-grade men from rest sectors to help stem the tide. With the aid of one division of Gnards they last

night [July 29] resisted the American in the region of Sergy. It was learned from documents found on German bodies that the new men were chosen from among the best troops. Nevertheless the machine gun continues to be the enemy's pet weapon, and it seems that they have an inexhaustible supply of these deadly weapons.

1943: Advance in Sicily ALLIED HEADQUARTERS IN

NORTH APRICA — [From our New York edition:] American and Canadian troops have cracked the mountainous core of the Messina bridgehead, raising hopes of a quick conquest of north-eastern Sicily. In a 12-mile advance the Americans captured Nicosia and the Canadians overran the village of Agira, in a race for the western side of ML Einz. The two scizines were described as most important for they cut direct communication between the two Axis flanks and threatened to cause a general German withdrawal from the Catania area.



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OPINION America's Debate on Immigration Just Act as a Community,

LOS ANGELES — "Nativism" is a noun denoting some nasty history, It is now an epithet distorting debate about America's policy regarding im-

Nativism, meaning irrational and mean-spirited partiality toward native-born people and hostility toward immigrants, is as old as the Republic, Before the end of the 18th century, German immigrants were stigmatized as an unas-similable ethnic group because of their language and Catholiciam. Religious and racial prejudice greeted, among others, Irish immigrants on the East Coast and Chinese on the West Coast.

But xenophobia and greediness— the desire to slam shut the golden door — do not explain all or even most of today's opposition to current immigra-

One of the arguments is economic, but the more important and interesting one is cultural.

tion policies, particularly in California.
America is, as The Economist says,
"the only First World country that
shares a 2,000-mile border with the Third World ... dirt roads up against bright lights." And the most luring lights are those of Southern California.

In the 1980s about 9 million people immigrated to the United States legally, another 2 million illegally. Today one-third of all immigrants come to California, where the population, currently 31.5 million, rose by 570,000 last year and is expected to rise by another 600,000 this year. Most of the growth is from Mexi-co, Central America and Asia, or from births to recent immigrants.

Concern about immigration is approaching monomania in this state. where the recession has approached the depths of a depression. Here, as elsewhere, immigration is discussed first, By George F. Will

and too much, as an economic issue. The argument about immigration what kind of people should come, and in what quantities — is actually two arguments. One is economic, but the more important and interesting one is cultural.

The economic argument concerns immigration's costs. Is immigration economically injurious? Or do immigrants constitute a net addition to the nation's wealth - if not immediately and in every location, at least over time and to society generally? Resolution of this argument requires

complex calculations that quantify, among many other variables, the economic value of the infusion of entrepreneurial energy from those who travel sometimes 10,000 miles in search of entry-level American jobs. Such industrious immigrants may or may not have a depressing effect on some American wages; if so, that may or may not make American industry more suited to an increasingly competitive global economy.

Many immigrants, perticularly very new ones, cost more in welfare, health

and educational services than they pay in taxes: (All immigrants pay sales taxes; many pay income taxes.) However, their economic activity — earning and spending — makes them, I believe, substantial net contributors to national wealth. (Twenty-five percent of immigrants in the 1980s had college degrees.) But that positive economic fact does not settle the argument about the net effect of, and proper policy concerning, immigration. The cultural argument about immigration begins with this fact. Immigration at the end of this convey occurs in

tion at the end of this century occurs in a social context different in two crucial ways from the context at the beginning of the century.

Today immigrants are received into a welfare culture that encourages an entitlement mentality. That mentality weak-ens the mainspring of individual striving for upward mobility. A generous welfare state such as the United States, and

California especially, can be a "magner" for migrants. To the extent that the welfare culture has such enervating effects, the argument for immigration as a

source of social invigoration fails. The second difference in the context of immigration, another difference that makes problematic the tradition of liberality regarding immigration, is the weakening of the ideal of assimilation. But it is unclear to what extent immigrants themselves are hostile to or even ambivalent about assimilation.

The anti-assimilationist impulse may emanate primarily from those native-born intellectuals who believe that America is a sick, racist, sexist, exploitative, oppressive, patriarchal, etc. society into which oo self-respecting person would wish to assimilate Furthermore, say some intellectuals, "diversity" is an inherent good: The more the better because it is good to weaken a sick community's sense of community. In addition, individ-ual "authenticity" requires adherence to ethnic identity. And ethnicity should be the basis of a civic life built around group rights and entitlements. (Here is an immi-

nghts and entitlements. (Here is an immigrants, deport an unhappy tenured professor.)
Such homegrown intellectual fruit can poison the debate about immigrants, and perhaps can spoil immigrants. Debate should begin with this premise. America is not just an economy; it is more than an arena for wealth creation. It is a culture. The high rate of immigration since 1960, combined with the high fertility rate of immigrants relative to that of native-born Americans, is producing rapid change in the nation's ethnic and cultural balance.

Peter Brimelow, a contributing editor of National Review and senior editor of Forbes, says: "The onus should not be on the critics of current policy to explain their motives. Instead, supporters of current policy must explain why they wish to transform the American nation as it had evolved by 1965."

True. And accusations of "nativism" are not explanations. Washington Post Writers Group.

MEANWHILE

control has been an imperative of civi-lized life since the first city arose on a riverbank in Mesopotamia Fatalism about rivers run amok seems at least as vapid as the superstition of our great-grandfathers' day that lightning rods were insults to divine will.

tantrum just to rebuff mortal hubris.

Engineers have battled American riv-

WASHINGTON — While most peo-ple in the upper Mississippi Valley mourn their inundated bouses, farms and property damage exceeding \$100 and property damage exceeding \$100 businesses, some commentary on the million (far more in 1993 dollars).

Great Flood of '93 has taken a strangely The Miami Valley was pronounced "doomed," but wasn't. Under Arthur E. fatalistic twist - as if the Father of Waters had been made angry by the tin-kering of engineers and priched a mighty Morgan, a great civil engineer who later headed the Tennessee Valley Authority, the Miami Conservancy District altered At the poetic level such reactions, that fatalistic outlook and became a template for new techniques in flood reminiscent of ritual propitation of gods and goddesses of the fields and streams may be good for us. But they do outhing for flood control; and flood control elsewhere.

The real cause of the Flood of '93 was oot, in any case, anger on Olympus at the presumption of engineers. It was a freak-ish weather pattern that has saturated the Mississippi watershed — a force oeither predictable nor preventable.

The flood has renewed an old debate about the practicality, and social utility, of levees, a feature of flood containment, indeed a precondition of orga-nized life on the Mississippi since the early 18th century when the engineer of the city of New Orleans, Le Blonde de la ers for two centuries, often in the face of prohibitive odds. The flooding of the Miami River and its tributaries in March

LETTERS TO THE EDITOR

But Before Waters Rise

By Edwin M. Yoder Jr.

For a Trader's Europe

When Britain went into the Common Market, the country had a referendum. We were given to believe that it was mainly a trading agreement. Over the years and since the Maastricht treary, this has changed. It is understandable that the English are afraid now of the Common Market, but if it returned to the original concept, mainly a trading matter will prove a watershed for all women will be beld in Berjing. Let us hope that it will prove a watershed for all women without interfering in everyday life, then we would all be enthusiastic Europeans.

PHILIP WINTER. Bristol, England.

Missing Girls in China
In response to the report "In China,
Thanks to Ultrasound, It's Usually Boy"

(July 22): About 1.7 million girl femises are sacrificed each year in China in the name of living or yet to be born.

MARGHERITA AMODEO. President, UN Group on Equal Rights for Women. Geneva.

Has the experience of 1993 spelled the happens to the common weal if everyone breeds as if resources were limitless. But end of levees after all these years? The case for second thoughts seems for the moment quite strong. In a flood, levees block the spillover of swollen rivers onto the natural flood plains. By narrowing river channels they intensify flood crests downstream. And when they eventually break in floods of the 1993 dimension. as they have at scores of sites, they allow more damage and then slow the subsidence of waters.

This is surely a challenge to the ingenuity of engineers. But no case for fatalism. From a social point of view, obviously, much of the misery is self-induced. We do build and till on flood plains. So long as that activity is not only out restrained but actually indemnified by all the rest of us when the gamble fails (as were Florida home builders last year, even after they had ignored hurricane-proofing regula-

tions), it probably will continue.

In his famous essay "The Tragedy of the Commons" (Science, Dec. 13, 1968). the hiologist Garrett Hardin explained why each of us may find it in his immediate self-interest to exploit the commons — the common weal — since the personal gain for a time ourweighs the social penalty. The penalty shows up only much later.

Mr. Hardin was writing about what

the principle also applies to unfettered encroachment on flood plains. The im-mediate gain is considerable for each encroacher, and the penalty goes unnoticed until several million acts of indi-vidual self-indulgence suddenly add up to a social disaster. As Mr. Hardin says, there is no technical solution for such problems in our overpopulated world; there is only a social one - collaboration and planning.

There may be hope. Amid the recent ruin and sorrow, an inspiring spectacle has been that of neighbors and friends, even strangers, rushing to work selfless-ly, tirelessly, desperately, to save someone's house or business or church on some minute sector of the mighty river - mankind at his best, as the late Barbara Tuchman once said of the cooperative water-control enterprises of the thrifty Dutch.

The lesson seems obvious. If the same community spirit prevailed before the waters rise — if it took the form of greater respect for flood plains and more diligent planning in their use -- we might escape "the tragedy of the commons." After the waters rise, it is too late.

BOOKS

THE LAST BROTHER: The Rise and Fall of Teddy

By Joe McGinniss. 626 pages. \$25. Simon and Schuster.

Reviewed by Jonathan Yardley

"The Last Brother Inrched into terviews," but only in the rarest the bookstores early this week. It instances is there any evidence of concluded that Joe McGinniss's this. When we are told, as we often unaothorized biography of Edward . are, that one person or another said Moore Kennedy was a mixture of or thought something "later," it is unattributed fact and unsubstantiated fiction; that McGinniss had whether this was reported directly borrowed liberally from it not ac to McGinniss or borrowed by him Bobby. Teddy seemed to need to tually placianzed, earlier books by from unantributed sources.

William Manchester, Duris Kearns In other instances the book gives the nation, that he was unworthy to

say than on actual acquaintance hind the rostrum. He was growing with the book. Now that it is possible to read "The Last Brother," evidence is that scene constructed? was based more on rumor and hear-

judgment must be even more danuajudgment must be even more damning than advance speculation had
suggested. Not merely is "The Last
Brother" a textbook example of
shoddy journalistic and publishing
ethics; it is also a genuinely, intrefievedly rotten book, one without a
single redecaining virtue.

of reason are likely to be himded to the central reality that "The Last Brother" is slimy, meretricions and cynical. It is, by a wide margin, the worst book I have reviewed in nearly three decades; quite simply, there is not an honest page in it. Much ado was stirred in advance

of the book's publication by the liberties McGinniss takes in fictionalizing not merely the remarks but also the thoughts of the senator from Massachusetts. This McGinniss attempts to shrug off by claiming that he merely is operating within the bounds of "biographer's

In an "Author's Note" hastily tacked on at the end of the finished book — five pages of self-serving humbug — McGinniss claims that he has chosen "an approach that transcends that of traditional journaism or even, perhaps, of conven-tional biography" and that "I never intended that [the book] be viewed

as a formal biography."

All That's a relief, because it certainly doesn't qualify as one. Biography must meet certain minimal criteria. The facts it presents as such must be, to the best knowledge of the author, true; such speculations and interpretations as it engages in must be, to the best knowledge of the author,

founded in those same facts.
In "The Last Brother" McGinniss violates these fundamental requirements of biography not because he is somehow stretching the genre into new dimensions but because they are inconvenient to the purpose at hand, which is to cash in on the public's bottomless appetite for access about the Fancadus for gossip about the Kennedys.
Like Kirty Kelley leeding the gossip mills with her biographics of the
likes of Elizabeth Taylor and Frank Sinatra, McGinniss is a purveyor of red meat; the difference is that Kelley, whatever her shortcomings, does her own legwork and supplies documentary apparatus.

McGinniss has done none of the statter and precious little of the for-ner. Apart from a brief bibliography, he provides not a scintilla of evidence to substantiate the wild assertions and speculations with which "The Last Brother" is nddled.

ward Kennedy, yet he offers no proof beyond the stupendously lame declaration that "the story I have told here is one I believe to be true? and that quotations therein "repre-sent in substance what I believe to have been spoken."

THE conventional wisdom had people with whom McGinniss says brother, especially if that brother settled into place long before he conducted many dozens of interviews," but only in the parest lose the last of what you might have instances is there any evidence of still been struggling to believe in this. When we are told, as we often and, at this same time of psycho-

Goodwin and other keepers of the off the stink of cheap and unsubKennedy flame; that McGinniss and his publisher were more interested in quick profits than responsible publishing.

In other instances the book gives off the stink of cheap and unsubstantiated invention. He knew the time was not right, but he knew also that for him, the time would never be right." Says who? "Teddy ble publishing.

All of which turns out to be true pulled open the heavy, leather-covto put it mildly -but all of which cred door that led from the Senate chamber to the private lobby be-

Well, as it happens, none. "Ted-dy did not say may of this," McGin-niss writes a couple of sentences suggested. Not merely is "The Last Brother" a textbook example of shoddy journalistic and publishing ethics; it is also a genuinely, intelievedly rotten book, one without a single redeening virtue.

It turns out that opinions of "The Last Brother" have not a thing to do with opinions of its subject. Only those so steeped in hatred of Ted Kennedy and his family as to be beyond the bounds of reason are likely to be hinded to the central reality that "The Last."

It turns out that opinions of its subject. Only those so steeped in hatred of Ted Kennedy and his family as to be beyond the bounds of reason are likely to be hinded to the central reality that "The Last."

It turns out that opinions of its subject. Only those so steeped in hatred of Ted Kennedy and his family as to be beyond the bounds of reason are likely to be hinded to the central reality that "The Last." considered this" - suggests a lawyerly hand, trying to shield McGinniss and his publisher from having to account for what gives every evidence of being unaccountable.

THE cootent of "The Last Brother" is as suspect and as distasteful as its methodology. Its theme - to the extent it can be dignified with claims to any - is that Ted Kennedy has been "cut off from the center, out on the fringe, as he had been his whole life" that within the Kennedy fam-ily he has been a figure of contempt

heroism." As a boy he was "wounded in spirit and garner [ed] little respect, affection or attention either inside or outside the family."

As a young man he was a failure:
"Jack's new starus as war been what it is now a respect to the start of the star

Jack's assassination: "Upon arriving in Washington, [the Kennedys] went directly to the White House. Teddy needed so

o Musray Pomerance, short story writer, is reading François Traffaut's "Correspondence, 1945-1984" and Stephen Aaron's "Stage Fright: Its Role in Acting."

If Truffaot "liked a performance of the Property o

mance, he'd write the actor, Won-

derful performance, thanks for the film." In "Stage Fright," however,

for actors "the audience constitutes a big mouth that will cal them

we are to accept as the innermost badly to contribute. He needed so thoughts and private remarks of Edbadly to feel that he belonged. But by the time he arrived, all the decisions had been made."

. Heaven knows there is ample

reason to criticize Ted Kennedy, the public and the private person alike, but fair criticism is not McGinniss's purpose. Thus: "It logical crisis, perhaps even the very capacity for belief." Thus: "Even as America and the world yearned to see in him the best of Jack and the nation, that he was unworthy to carry the torch, unworthy even to bear the family name."

S UFFICE it to say that the pereventually reaches spectacular dimensions. So too does McGinniss's susceptibility to the most wacky conspiracy theories about the assassinations of Ted Kennedy's two elder brothers. Extrapolating from between Jack Kennedy and the notorious mob leader Sam Giancana -a connection scaled by the sexual favors of Judith Exner -McGinniss spins off into the other, arging not merely that this gave the Mafia "the power to destroy the Kennedy family" but that in fact it did so: that the assassinations of both brothers were not the isolated acts of lone individuals but coordinated Mafia hits.

Oddly enough, this wild conjec-ture is about as far as McGinniss goes into the rancid waters of tab-loid gossip. Readers tempted to tains nothing not already known about Ted Kennedy's private life.

The book ends in the "disgrace" of Chappaquiddick, passing up not merely the Palm Beach trial two decades later but also the attendant disclosures about Kennedy's boczy behavior (a subject McGinniss only lightly touches upon) and his eventnal remarriage, to Victoria Reggie.

The book's abrupt conclusion and and fun, an unwelcome runt:

"Having given birth to eight children in 14 years, the last thing the adversary old Rose wanted was another."

"Having siven birth to eight children in 14 years, the last thing the made to rush it into print, even if in an incomplete state. It is unclear whether this was done to capitalize. Kennedy, McGinniss writes, on the intense chatter the book had stured or to get it into the bookness of his father's twilight and, before long in the shadows cast by its progress, though either explana-the glow of Joe Junior's and Jack's tion is plausible. But even if Simon "Jack's new status as war hero what it is now: a reprehensible exer-"Jack's new status as war hero served also to cast into even sharper relief the difference between what a Kennedy was expected to be and what the youngest member of the family was." As an adult, even as a U. S. senator, he was an irrelevance, never more so than after lack's assassination.

> Jonathan Yardley is on the staff of the Washington Post.

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By Barbara Rosen

States can be forgiven for muttering: So

and that it's six months after everyone else,

"In the old days, it used to be six months or

even longer before the rest of the world saw

anything that was released in the U.S."
Today, "there are no rules of thumb," be

Today, "there are no rues of a pattern." About 40 to 45 percent of the film reve-

nues of the major American studios comes from outside the United States, says Harold

Vogel, entertainment industry analyst at Merrill Lynch in New York. Hollywood

likes to say the split is approaching 50-50. Vogel says, "but it could take to the turn of the century before that happens."

Still, the increasing importance of foreign

markets is one reason that studios are getting

when is it coming to a theater near me?

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Hollywood hit travels ever faster

around the global village, frustrat-

ed moviegoers outside the United

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their films out overseas faster, Vogel says. They're also trying to recoup more quickly ever-bigger investments, he adds, as well as running to keep up with ever-more efficient worldwide communications, which generate

invaluable - read free - publicity Basic factors can determine when a Hollywood hit opens overseas. Sometimes, for example, a film is finished so close to its U.S. release date, there isn't time to do the dubbing In fact, the time gap between U.S. and essential for the French, German, Spanish and foreign releases is getting shorter. But delays are still there, and they're likely to stay. Italian markets. "We dub in 22 languages, so it takes us longer to be able to take them out," "People have the impression that their says William Mechanic, president, interna-tional theatrical and worldwide video of Walt country is always the last to receive a picture, says Gary Hodes, director of European sales for Warner Bros. International in London. Disney Studios. Local constraints can be as simple as the

weather. Studios traditionally have avoided summer releases in Italy, because of a lack of air-conditioned cinemas. France during the August holiday was considered similarly off-limits. Still, both of these are changing, says Hodes, citing an industry effort to develop an Italian summer season, and "Lethal Weapon 3," which Weapon consend in France less Appendix Present and Pre 3," which Warner opened in France last August and which grossed around \$30 million. Steven Spielberg's "Jurassic Park" is being timed to open largely in accordance with school vacations: June in the U.S.; July in the U. K., Japan, Taiwan and Korea; October (on a holiday weekend) in France and in Belgium, says Andrew Cripps, senior vice

president, microational sales of United International Pictures (UIP), which distributes Paramount, Universal and MGM movies outside North America. (Italy wan't get "Jurassic Park" till September.) In Brazil, where "Jurassic Park" opened in

Ime, going after the kids dovetailed nicely with keeping ahead of the pirates. In Lain America and Southeast Asia, Cripps says, the goal is to open a film within two months of its U. S. release, to thwart the illegal-video mar-ket. Piracy problems are also bringing eastern European release dates forward, adds Hodes.
Sometimes it's simulationard, and selections.

Sometimes it's simply a question of screen availability. UIP opened "Days of Thunder" in Japan in July 1991 — 28 hours after its U.S. opening — because that's what fit the schedule of the Japanese theater group. There was no time to show prints to the Japanese media for advance publicity. "I imagine we spent a million dollars more than we would have on extra advertising, says Hy Smith, UIP senior vice president, marketing. In Australia, where TV vicasers see Ameri-

can morning-news shows, American films are opening sooner than they used to, says Smith. Their media instantly pick up the hits and the misses," be says.

American films are also coming faster to Britain, but some things don't easily trans-late, even in the same language, Smith says. "The Firm," which opened June 30 in the

ber. The book on which it's based was a bestseller in the U.S. but is less well known in the U. K., he explains: In Britain, as in Germany, UIP wanted time to churn up publicity around an American success.

Then there's always the competition. Swedish moviegoess will be able to see Warner's 'The Fugitive' starting Aug. 6, the same day it's being released in the U.S., in part because waiting could have meant butt-ing heads in Stockholm with "Jurassic Park"

and/or "The Firm," says Hodes.
Once in a while, the season, the competition, the dubbing the theater availability, all work out to let a film open around the world almost simultaneously, like Columbia's "A

Few Good Men did last Christmas.

But that's not necessarily a regular Hollywood goal. Disney's animated features are wood goal. Disney's animated teatures are immensely popular overseas ("Beauty and the Beast" took in approximately \$205 million outside the U.S., compared to about \$146 million within), and advancing technology is attacking the dubbing delay, says Mechanic. "In and of itself, a fast release doesn't mean anything if the course is used and 2000. anything. If the movie is very good, and if it's worthy of a lot of effort, then I think time is your ally, not your enemy."

Barbara Rosen is a free-lance journalist

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Heybeli Island, one of the nine Princes Islands in the Sea of Marmara. Escape From Istanbul

By John Brunton

STANBUL - Sightseeing in sions there. Istanbul during the long, hot months of summer can be an exhausting affair. Traipsing from the Topkapi to Haghia Sophia in temperatures seldom below 35 centigrade, putting up with the ever-worsening pollution, and fighting through the interminable traffic jams takes its toll.

What many tourists never discover is that 20 miles (32 kilometers) out from the Bosphorus, in the Sea of Marmara, lies a group of idyllic, unspoiled islands.

These nine tiny islands are only an bour's ferry ride from Istanbul, but the contrasts couldn't be more striking. There are no cars, only the delightful, two-borse carriages called phaetons. There is no noise, unless you count the clip-clop of borse booves, no crowds of people, just deserted beaches and fragrant pine forests. And while the city swelters, the islands are always cooled by a sea breeze.

Somehow, the Princes Islands have been very well preserved architecturally, with virtually no modern buildings. The streets are lined with grand 19th-century wooden mansions that wouldn't look out of place in the Florida Keys or the Deep South of "Gone With the Wind

The ferry only stops at the three largest islands, but if you have the time, it's easy to rent boats to explore the other six that make up the

archipelago. The name Princes Islands is said to have come from the number of royal exiles the islands attracted during the Byzantine era. The isconvenient proximity to Istanbul made them the perfect spot in temporarily banish a troublesome rival. But it was at the end of the

the town square to get a feel for really fashionable, when wealthy Istanbul merchants and foreign diploenue of the island, its shady trees

Cankaya Caddesi is the Park Av-

forming a cool arcade with impos-

ing wooden mansions along each

side, a memorial to the extravagances of Victorian architecture.

Just as stunning as the houses

themselves are the vast landscaped tropical gardens. One of the more unassuming villas, No. 55, once owned by the head of the Turkish

Secret Police, was home for five

years to Leon Trotsky, the most

recent leader to be exiled to the

isles. He lived here from 1929 to

1933, writing his "History of the Russian Revolution."

Cankaya street is especially

pleasant in the early evening when the borse carriages bring the Istan-

bul businessmen back home, and

the families of three or four genera-

tions sit out on their balconies for

the ritual "good evenings" as their

The other direction from Can-

kaya Caddesi follows the sea front.

where a dozen restaurants line the

promenade. All basically offer the

same menu of a dozen mezze, traditional Turkish hors d'ocuvres, fol-lowed by grilled local fish such as

palamut, a tiny tuna. After the restaurants, there's a commercial pier

where everything from crates of

Coca-Cola to giant watermelons arrive by boat from the mainland,

distribution around the island. The

only people on Buyukada allowed a

car are the policeman and doctor.

There are three ways to get around the island. The most pictur-

esque is undoubtedly on foot, as

you can leave the main road and

explore the thick forests, and find a

strip of beach all to yourself - as

long as you're prepared for arduous

There are several shops in town

that rent mountain bikes, but mo-

torbikes and scooters fall under the

same ban as cars. The traditional

transport, though, is the horse-drawn carriage. It may look like a tourist rip-off, but don't be put off.

Scores of these phaetons crowd what is known as Carriage Square, a

mad circus where the pungent odor

of horse manure suddenly seems just

as bad as car fumes. Prices are fixed.

and the simple choice is between a

long and short tour — buyuk or kucuk. Just avoid the early evening

as there is a mad rush by commuters

neighbors trot past.

and are loaded onto

mats began building opulent man-The islands of Burgaz and Heybeli are well worth a stop for leisure-ly travelers, but it is Buyukada, the largest island, that is the most beautiful, and the best place to be based.
The island is marked by two large hills covered with pines, and as the ferry approaches, you can already pick out secluded mansions on the hillside.

The harbor is filled with a mix of luxury yachts, power cruisers and simple fishing boats, Standing on on the shoreline are two white domes and the bright red shutters of the Solendid Hotel. A wooden replica of a 1920s hotel on the Riviera at Nice, the wonderfully decrepit Solendid is the perfect place to stay, especially since there simply aren't any modern Hiltons or Sheratons to

choose as alternatives. A curious mix of Arabian and Art Deco influences, the hotel looks as if it should have been a mosque. Before seriously explor-ing, there are two easy walks from

Philistines strike again An English art student's work

was thrown out, life after a building official at a Birmingham art center "Piece de Resistance" involved red jellies displayed on plates and was intended as a metaphor for decay. "Months of hard work had

mistook it for trash from the opening day party. Reuters tells us that Ceri Davies's just gone to waste." the artist said. "I was quite

17th century that the islands became AND CORDER OF REPRESENTATION OF THE PROPERTY O EACH WIGGLE OF HIS BIG TOE BROUGHT A SIGH OF RELIEF from the gentry as they sipped their iced lemon tea. The toe belonged to a Punkahwallah, an Indian gentleman who created a gentle breeze by working lengths of hanging cloth with a piece of string tied to his hig toe. Today, happily, the hotel is fally air-conditioned, hat The Long Bar boasts an apdated version of the Punkahwallah's fau. And those who hanker after days gone by will find plenty more at

Raffles to remind them of the way things used to be.

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piling off the ferry. John Brunton is a free-lance jour-

HOLIDAYS & TRAVEL

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"Coneheads": Aykroyd and Curtin, top; "Poetic Justice": Tupac Shakur and Jackson, right; "Another Stakeout": Estevez, Dreyfuss, O'Donnell.

Poetic Justice Directed by John Singleton.

From time in time throughout "Poetic Justice," John Singleton's new romantic melodrama, a pretty, button-nosed South-Central Los Angeles beautician named Justice, played by the pop superstar Janet Jackson. muses about life and loneliness on the soundtrack. It might be better if she sang the words ac-companied by a loud backup group, so we couldn't hear them. Instead. Justice speaks the words cicarly, with the fearful reverence of a child ordered in comant Portia's "quality of mercy speech to memory overnight. Not only are the individual words comprehensible, but also enough of their meanings so that we are aware of the singular dis-

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parity between the speaker and her musings. Although these are supposed to be poems dashed off by Justice to ease her pain. they are, in fact, the work of the celebrated Maya Angelou, poet and earth mother. Angelou's poems seem no less foreign to Justice than Shakespeare's language. The poems buzz around Justice's head like a swarm of benign bees on a hot summer They neither sting nor provoke. They just happen to be in the neighborhood. "Poetic Justice" is a mess, but it's an adventurous one. It's a movie whose unrealized ambitions are in many ways more interesting than the goals achieved by the success of Singleton's first film, which endeared him to the Hollywood establishment. He hit the box-office jackpot in 1991 with "Boyz N the Hood," which also won him Oscar nominations as best director and best writer. As a follow-up to that comparatively conventional melodrama, Singleton is now making a serious effort to do something different. "Poetic Justice" is nothing less than an attempt to celebrate the creative impulse as a means of salvation, not only for the individual but also for society. At least, that seems to be the point of the fuzzy new movie, which,

in common with so many other

second films, has neither the co-

Leica

The freedom to see.

herence nor the spontaneity of. the film that preceded it. (Vincent Canby, NYT)

Concheads Directed by Steve Barron.

You'd have to visit the planet Remulak to find anyone who really thinks the Coneheads needed to be brought to the big screen. Based on the string of gleefully absurd "Saturday Night Live" sketches about a family of queasy extraterrestrials going native in America, "Coneheads" is not conspicuous for its wide-ranging wit. Nonetheless, the idea has been stretched out to feature length and propped up with sight gags, "Saturday Night Live" cameos and special effects. These visual tricks allow the Concheads to broaden their horizons in expensive and not-terribly-neces sary ways. As Hollywood's latest effort to build the Empire State Building out of toothpicks, and as a film squarely nimed at those who found "Wayne's World" too demanding "Coneheads" still has its dopey charms. It brings back Dan Aykroyd and Jane Curtin in the welcome roles of Beldar and Prymant, a Conchead cou-

ple bound by weirdly touching

notions of Earthly propriety.

Prymant forms her ideas of wifely behavior by reading women's magazines and looks particularly, perguant in head cone, pearls and cardigan sweater Beldar, who like his wife speaks finent techno-jargon ("starch disk" is what they call a pizza) has the dartingeyed, paranoid manner of someone who almost thinks his ruse is a success. As directed by Steve Barron ("Teen-Age Mu-tant Ninga Turdes"), "Cone-heads" falls flat about as often as it turns funny, and displays more anniability than style.

(Janet Maslin, NYT)

Another Stakeout Directed by John Badham,

"Another Stakeout" is made for the kind of person whom televi-sion drives out of the house to the movies but who doesn't want surprises when he arrives at the theater. It's big-screen television fare. Directed by John Badham and starring Estevez, the film is not only a sequel to the same team's Stakeout" (1987), but also to approximately nine out of every 10 comic-cop movies made. This time the policemen played by Dreyfuss and Estevez are joined by Rosie O'Donnell, who appears as an assistant district attorney. The three are assigned to stake out a house in an upscale island community near Seattle. Their goal is to find a key witness in the trial of some Las Vegas mobsters. Their cover: Dreyfuss and Ms. O'Donnell will pretend to be the happily married parents of Estevez. Once installed in their house next door, the three become so

happily embroiled as they trade television-style insults that they hardly notice what's going on across the way. A good time seems to have been had by all who made the film. In every other respect, "Another Stakeout" defies criticism. Everyone who goes to see it will probably know what to expect. There's no need to say more.

(Vincent Canby, NYT)

Semural Kids Directed by Nobuhiko Obayashi. Japan

An 8-year-old child finds a 6inch tall samurai. The little boy is having his troubles with contemporary life and the ancient warrior, lost in the 20th century, is looking for a place to die. They consequently strike up a friend ship and in the end the boy grows up and the samural grows young and, like the Tom Thumb of legend, poles himself away in a teacup. Though not much is made of the attendant allegory. lots is made of this bonding of the generations and all the special effects necessary to illustrate the differences in height and age. Some are, indeed, quite marvelons - a friendly cat towering like an elephant, a bad crow looming like a berserk jet, a trip down a sewer with full detail. These, however, no matter how splendid, are there to make us realize the truly marvelous of the everyday. Director Nobuhiko Obayashi is a real famasist. Through last cutting, witty detail and extraordinary care, he effortlessly tosses off his prodigious events and turns a kid movie into emotion-packed

(Donald Richie, IHT)

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L E I S U R E Don't Touch That Phone: How Hotels Profit From Gouging Customers

By Philip Crawford

ARIS - Tourists and business travelers alike have long complained about the high cost of some hotel amenities. But outrage over things such as the \$35 room-service breakfast seems to be giving way to greater furor over the cost of a more basic service: the hotel-room tele-

Horror stories of shocking checkout bills, sometimes double the anticipated price, due to inflated telephone charges, abound among international travelers. "It's ridienlous," said Nicholas Thaw, an architectural consultant whose work requires extensive European travel. "I recently made a 10-minute call to Paris from my hotel room in Prague and it cost over \$50. I've had similar experiences in Germany, France and all over Europe. But I've learned a lesson: never, ever use a hotel room phone unless it's a dire emergency."
The Consumers' Association, a U.K.

watchdog group, reports heavy complaints by hotel patrons in Britain over telephone charges. We heard from one young man who had to make some business calls from his London hotel room," said a spokesman.
The rates weren't posted, and he guessed on paying a 30 percent premium over British Telecom rates. When he went to check out, he was handed a telephone bill for £130 [about \$195], roughly twice what he'd expected. They locked away his luggage until he could ensure payment."

A 30 percent premium might seem justifiable to some patrons. Hotels are, after all, in business to make money. The fact is, however, that many European hotels make a profit

of more than 500 percent on calls made from rooms, and that's just on calls made during the daytime. When telephone rates go down at night, the hotel's profit margin gets even because since the caving is carely passed on to bigger since the saving is rarely passed on to

Take a few examples. If you're affluent enough to be staying at the Savoy in London, a 10-minute daytime call to Paris made from your room will cost £18. The British Telecom rate is £3. Ten minutes on the phone with someone in Tokyo will set you back £64, but will cost the hotel only about £10. Profit margins like these are typical for luxury hotels in Europe.

AY you're taking the family to Vienna and you've decided to splurge on a top-level "chain" hotel, such as the luter-Continental. Better keep the kids off the phone. Your daughter's 10-minute call to her friend in Germany will cost 380 shillings (about \$32), 293 of which is profit for the hotel. A ten-minute call to the United States? Of the 790 shillings you nay. United States? Of the 790 shillings you pay. the hotel keeps 610.

Or maybe your boss wants you to go to Amsterdam to attend a conference being held at the Hilton. Calling an associate in Frankfurt or Madrid for 10 minutes will cost 48 guilders (\$24), 75 percent of which will be pocketed by the hotel. The litany goes on.

"Don't even bother asking hotels in France what their telephone rates are," wanted Martine Floc'Hlay, a spokesperson for the Concorde Groupe, which owns the Hotel Crillon in Paris. "It's not in their best interest to tell you."

Perhaps not, say those who study the hotel iness. "Obviously, hotels look upon their telephone systems as another profit center,"

brokerage Barciays De Zoete Wedd. "In London, telephone charges make up about 5.5 percent of total hotel revenoes."

That might not sound like much. But when a hotel does £20 million in business per year, a reasonable figure for a luxury hotel, it translates into £1.1 million worth of phone calls, enough to pay the salaries of the hotel's

management staff for several years.

A spokesman for Savoy Hotel PLC, which also owns Claridge's, in London's Mayfair section, and the Lancaster, just off the Champs-Elysees in Paris, said that few patrons complain about telephone charges. She added that lowering telephone rates is not considered a priority in the hotel industry.
"People see the telephone as a necessity, and they're going to make the calls they have to make, anyway," she said.

Since that ontlook indeed appears to be shared by most hoteliers, the question of the moment is: How can one beat the system? The cheapest method of calling locally, domestically and internationally, is to use pay phones. With a coin- or phone-card-

operated phone, you pay the basic rates charged by the national telecommunications system. Phone cards are typically available at post offices, newsstands and tobacco shops, and the trip to the hotel lobby or around the corner in find a card-accepting phone can save you literally hundreds of dollars over direct-dial room rates.

In cities where card-operated phones are not widely available, large post offices sometimes provide an alternative. In Prague, for example, the central post office has a telephone room where you give the cashier a deposit, and then go to an assigned booth

Well am Rhein

IRELAND

Dublin

ISRAEL

Jerusalem

ITALY

JAPAN

Vitra Dasign Muaaum (tel: 70.23.51). To Sept. 26: "Citizen Office: Ideas and Notes by Andrea Branzi, Michele De Lucchi and Ettore

Sottsass," Three designers present ideas for office design and architec-

The Irish Museum of Modern Art

The Insh Museum of Modern Art (tel: 718.686). To Oct. 3: "Hinde-sight: John Hinde and John Hinde Ltd." A survey of the composition and development of the Hinde post-card imagery, featuring photo-enlargements, postcards, photographs and large-scale images.

The Israel Museum (tel: 708.811).
To Aug. 25; "Painting the Bible in Rembrandt's Holland." Explores the Influence of the Bible on the people

and painters of 17th-century Holland, including five masterpieces by Rem-

Rome Palazzo dalle Esposizioni (tel: 488.5465). To Sept. 30: "Richard. Meier e Frank Stella: Arte e Architte-

tura." Abstract paintings by Frank Stella and a penorama of designs relating to museums by Richard

Himeji
'Himeji City Museum of Art (tel: 222.2288). To Aug. 15: "Aspects of Contemporary Art in Belgium." Introduces modern Belgian art through the works of leading ertists after World War It Including Alechinsky and Panamerenko.

Kobe
Koba City Muaaum (tal: 391.00.35). To Sept. 19: The Netherlands and Japan. Features Dutch oil paintings of the 17th, 18th and 19th centuries and ancient Dutch maps, as well as ancien Japanese maps and western style paintings by Japanese artists of the Edo period.

rary Art (tal: 34.45.06.51). To Aug. 22: "New Visions of Photography." A

equipped with a metered phone which shows your credit ticking down. When you finish the call, you go back to the window and settle your account - computed at basic

THER options involve using the hotel room phone to access another telephone oetwork, either a national system such as British Telecom, or a U.S. loog distance carrier such as AT&T, MCI or Sprint. In many cities, local operators can also arrange oilling to a major credit card. None of these services offer the basic PTT rates, of course, but the premium you pay is significantly less than the directdial rates charged by the hotel.

charge of between \$3 and \$5 just to connect you to the outside network. While some hotel chains place a limit on the amount of surcharge you'll be hit with per day, others doo't, meaning that the fee kicks in for each call you make. Outcry in the United States over connection surcharges have led some hotel chains to reduce them, but consumer pressure in Europe has thus far failed to bring a tangible response.

But help may be on the way. The three major U. S. loog distance carriers say they are working on technology that would enable callers in nnn-U.S. locations 10 stay connected to their networks hy hitting the "pound" sign on a touch-tone phone after

each call. The caller would thus receive only one surcharge for calls made in sequence. Such a setup already exists in some U.S.

William Esrey, CEO of the long-distance carrier Sprint Corp., said the only way hotels in Europe will ever lower their phone rates is if a sufficient number of customers complain. "It's ironic," he said. "Hotels are making an effort to be more customer-responsive in many areas, but here they seem to be going all out to take advantage of the customer. If a major chain would drop the surcharges or lower the direct-dial rates and then be smart enough to advertise that, we might see some change. But for now, the best way to fight it is to complain - and loudly."

You Can't Win: A Tale of Two Restaurants

By Patricia Wells national Herald Tribune

ARIS — Summer days, summer mights, and city dwellers clamor for a louch of the outdoors. No matter that the weather is as unpredictable as ever, our natural urge is 10 crave meals under an umbrella, beneath the sunshine, in sight of the stars.

Diners in search of sheer urban wilderness could do no better than in wander up to the Parc des Buttes-Chaumoot, an inspired 60acre (24-hectare) park built by Baron Haussmann in 1867. There — on what was once a garbage dump -- workers carved from quarries of gypsum a fantasy land of cliffs, rivers, ravines and an artificial lake. A showy pavilion on top of the hill, now known as Le Pavilloo Puebla (in honor of a Mexican battle), has been turned into a restaurant that mixes lazy country days with stiff, disciplined life in the hig city.

Le Pavillon Puebla is questionably organized. Service is helter-skelter and the atmosphere hizarre, as waiters waltz around in a daze and seemingly in disguise. Disorder reigns from the moment you call for a reservation, when you are put on hold, transferred, put oo hold again, before, if you're hicky, being given a shot at offering your name and desired dining date.

Once you find your way to the towering pavilion at the top of the mountain, you find it's too cool to dine outdoors. Once seated in the elegant dining room perched in outdoor greenery, confusion continues. At one point a waiter wanders in with a quizzical look and two salads in hand, turns on his heels, then returns 10 minutes later with the same salads and finally finds them a happy home. A few minutes later, two frosted glasses of chamagne arrive, and as the waiter pours a bit of bubbly he realizes his geography is off yet again. Glasses are whisked away, reappear-

ing moments later at an adjacent table.

The food begins to arrive as hunger and impatience peak simultaneously, almost colliding in midair. A single bite of chef Christian Verges's sea-sweet langoustines on a bed

of forest-green shoots of edible seaweed, and all is forgiven. The sauce is hriny, buttery, rich and inspired, the multigrain bread chewy and restorative. The service proceeds in its bumbling manner, the food continues

to appease, to stimulate.

A daily special — thick yeal chops paired with an avalanche of fresh, wild mushrooms -is a study in classic perfection. The veal is real meat, not mush, cooked attentively rare. The mushrooms arrive without a trace of grit, full of flavor unmasked by creative shenanigans. A main course daurade is tender and ocean-fresh, paired with chunks of fresh artichokes, a traditional twosome of gentle, subtle flavors. Desserts are showstoppers, with a state-of-the-art nougat glace, and a magnificent bowl of fresh berries topped with fruit-infused sorbets.

Do take a trip to the park, but leave your watch at home, and carry equal doses of hunger and patience.

Perhaps the only Parisian vista that can equal the view from the Eiffel Tower itself is the view that overlooks the city's most magnificent monument. Now the government has wisely offered us public dining access to the extraordinarily placed terrace of the Palais de Chaillot, with a new restaurant - Les Monuments — sei on the steps of the Art Deco Musée des Monuments Français.

ERCHED on a hill across the Seine from the Eiffel Tower, the twin sandstone pavilions of the palace were built for the Paris Exhibition of 1937, replacing the Palais de Trocadèro, huilt for the 1878 exhibition exposition.

A table on the terrace offers one of the city's most memorable perspectives, as you sit on a stage observing the comings and goings of Parisians, of tourists, of children playing adults, and adults frolicking as children.

As night falls, the Eiffel Tower demands your attention, as sunsets pale and give way to the golden, elegant lighting of the tower. Les Monuments, with casually elegant umhrella-topped tables seating about 80 diners outdoors and 120 indoors, is a magnificent idea, And Christian Constant (of pastry and

chocolate fame with shops at 26 Rue du Bac in the 7th arrondissement and 37 Rue d'Assas in the 6th) is at the helm, ushering diners to their table in a most geouine and gentlemanly manner. He's a congenial host, seem-

ing sincere and eager in please.

But alas, the food to date is dreadful, bordering on the inedible. Hors d'oeuvres appear as tacky toothpicks stacked with cubes of mystery cheese and bland cherry tomatoes. A starter of charlotte de légumes is tasteless and watery, and the attempt to boost the flavor with a dose of Tabasco is simply silly; the smoked salmon, served with a skimpy offering of cucumbers doused with sour cream, is a safer bet. I've never sampled worse pintade, or guinea hen, than I did at Les Monuments, where the hird was fatty, grisly, tough, and seemed to have been cooked and/or reheated in some modern, mechanical manner. The tuna — two thick slices sandwiching a thick, innocuous tomato sauce - was at least edible, though the accompanying pasta came in a gluey mound, stuck together with its own starch. Desserts, which are Constant's claim to fame, were disappointing as well. The nougat glace rates an 8 out of 20, while the assortment called fleurs de chine includes a banal chocolate sorbet, a tea ice cream that's simply strange, and a chocolate cake without merit.

Les Monuments, which joyfully claims to serve as a "salon de thé, de café, de chocolais et d'autres plantes stimulantes" is open for lunch, dinner and afternoon tea. The most optimistic outlook is that Constant will taste the food himself, and convince himself and his staff to work toward an upgrade.

Le Pavillon Puebla, Christian Verges, Parc des Buttes-Chaumons (Enter at the crossroads of Avenue Bolivar and Rue Botzaris), Paris 19. Tel: 42.08.92.62, Closed Sunday, Monday, and Aug. 7 to 23. Credit card: Visa. Menus at 180 and 230 francs, A la carte, 300 to 450 francs per person, including service but not wine.

Les Monuments, Musée des Monuments Français, Palais de Chaillot, Paris 16. Tel; 44.05.90.00. Closed Tuesday. Credit card: Visa. 150-franc lunch menu. A la carte, 250 francs, including service but not wine.

AUSTRIA

Oatarraichlache Galeria (tal: Ostarratenia one Isaleria (Lai-78.41.14). To Sept. 30: "Georg Ra-phael Donner." Works by the Austri-an sculptor who mirrored the transi-tion from tha Baroque to tha

Cambridge Fitzwilliam Museum (tel: 33 29 00).
To Sept. 19: "Splendors of Flanders." Books of hours, art for the church and manuscripts for the court provide a survey of late medieval Flemish art.

Edinburgh
King's Theatre (tet:). Edinburgh
International Festival including performances of Verdi's "I Due Foscari"
in a new production by the Scottish
Opera (Aug. 16, 18); James MacMillan's "Busqueda" and "Visitatio Sepulchi" (Aug. 25, 26).

British Museum (tel: 323,8525). To . Aug. 15: "Takeda Hideo and the Jap-anese Cartoon Tradition." Takeda a cartoons in the Asahi Journal have made him a reputation as a sardonic

Design Museum (tel: 403,6933). To Oct. 3: "Starck." Features early pro-totypes of furniture and other work illustrating French designer Philip. Starck's prolific output and Interna-

Royal Academy of Arta (tel: 439.7438), To Oct. 10: "The Impres-439,7438). To Oct. 10: "The Impresinjunist and the City: Pissamo's Series
Paintings," Best known for his rural
scenes, the impressionist artist painted more then 300 cityscapes of Paris,
Rouen, Le Havre and Dieppe during
the last decade of his career.

Tate Gallery (izi: 821.13,13). To
Sept. 5: "Paris Post War: Art and
Edstentialism 1945-55." Paintings
and sculptures by artists whose work
was affected by the turbulent climate
of the period.

was affected by the furbulent climate of the period. Viotoria and Albert Museum (tel: 938.85.00). To Oct. 31: "High Art and Low Life: The Studio Magazine and the Artists of the 1890s." More than 200 paintings, prints and drawings. Includes works by Whistier, Munch and Rothenstein, and shows how the The Studio magazine Influenced them.

Manchester
Whitworth Art Gallery (181: 273.4885). To Oct. 2: "From View to Vision: British Watercolors from Manchy to Turner." A survey of the development of English landscape watercolor painting from 1750 to 1850, featuring some 150 works by John Robert Cozens, Thomas Gintin and culminating with a number of works by J. M. W. Turner including several late masterpieces.

FRANCE

Bordeaux
Musée das Beaux-Arts (1al: 56.10.17.49). To Aug. 30: "Cent Cinquente Dessins." One hundred and fifty drawtings by 20th-century artists. The collection includes a series of sketches of flowers and fruits by Matisse, 50 drawtings by Marquet, and 40 watercolors, pastels, and ink drawtings by Andre Lhots, as well as 25 drawtings by Raout Duty. Montpeller (tel: 67.66.06.34). June 28 to Sept. 5: "Grand Slecie." More than 130 works by 17th-century, French painters, with works by





Two buildings designed by Richard Meier, in a Rome exhibition on Meier and Frank Stella.

Misses d'Art Contemporain (tel: 68.76.35.35). Tri Aug. 31: "L'Ivresse du Réet: L'Objet dans l'Art du XXeme Siecle." Some 250 works by 20th-century artists, ranging from Braque, Picasso, Duchamp and da Chirico to Werkel.

GERMANY.

Jeu de Paume (tel: 47.03.12.50) To Oct. 17: "Takis." Initially influenced by the archaic sculptures of the Cycledes and ancient Greece, and later by Glacometif and Calder, Takis elaboraties a visual world enhanced by his discovery of the properties of magne-

Deutsche Oper (tel. 41 02 49). Per-tormence of Wagner's "Der Ring des Nibelungan": "Rheingold" (Aug. 24), "Die Walkura" (Aug. 29), "Slegfried" (Sept. 1), "Gotterdam-merung" (Sept. 5).

merung" (Sept. 5).
Bonn
Kunst und Ausstellungshalle der
Bundesrepublik Deutschland (tel:
917.12.00). To Sept. 30: "Alexander
Calder: Tha Monumental Sculptures." An exhibition on the museum's roof tertace of large sculptures
by the American artist, in addition to
the sculptures, "The Other Calder" is
an exhibition of the artist's wire objects.

ze: New Visits of Photography. A selection of the works of Hinoshi Sugimoto's monotone work, of Robert Mapplethorpe, Yuriko Takagi and Cindy Sherman, and the 'manipulated' photographs of artists such as Jun Furuta or Tokihiro Satoh.

valencia
valencia
Julio González (1al:
386.30.00). To Aug. 29: "Martial
Raysse." Some 125 paintings, sculptures and objects realized between
1959 and 1991 by the French neo-

Drottningholm
Drottningholm Court Theater (tel: 860.82.25). Aug. 6, 8: Martin y Soler's "Una Cosa Rara;" Aug. 27, 28, Sept. 4: "Figaro," a ballet pantomime after Beaumarchais's play.

SWITZERLAND

Musee de l'Elysée (tel: 617.4821). To Aug. 29: "Frederic Brenner: Juifs d'URSS, Hier." Black and white pho-tographs dating from 1985, of Jewish lite In the ex-Soviet Union.

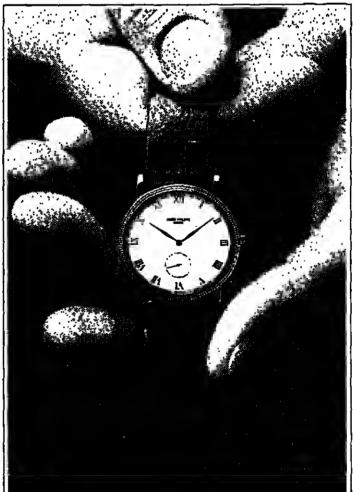
Theatre de Vevey (tel: 921.48.25).
48th Music Festival Montreux/Vevey.
Includes "Cent Ans de Musique
Française" Aug. 21-22. Four concerts including plano pleces by Ravel, Faure, Debussy, d'indy, Chabrier,
Poulenc.

UNITED STATES

The Art Institute of Chicago (tel: 443.36.00). To Aug. 29: "Chicago Art and Design, 1922-1993: Reconsquiration of an American Metropolis." Some 700 palmtings, drawings, prints, furniture, models and photomurals, illustrate the transformation was the rost cause described of the over the past seven decades of the American urban landscape.

Musaum of Modern Art (tal: 708,94,00). To Sept. 28: "Pastimes In Prints." An exhibition exploring leisure-time activities in printed art from the late 19th century through the 1950s, it includes prints by such reach artists as Villon, Vallotton, and Vuillard, for whom pastimes like cards, chass, or checkers were pre-terred subject matter.

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a particular Patek Philippe movement requires four years of continuous work to bring to absolute perfection, we will take four years. The result will be a watch that is unlike any other. A watch that conveys quality from first glance and first touch. A watch with a distinction: generation after generation it has been worn, loved and collected by those who are very difficult to please; those who will only accept the best. For the day that you take delivery of your Patek Philippe, you will have acquired the best. Your watch will be a masterpiece, quietly reflecting your own values. A watch that was made to be treasured.

PATEK PHILIPPE **GENEVE**

Patek Philippe S.A. 41, rue du Rhône - 1211 Geneva 3 - Switzerland

By Alan Truscott

B RIDGE is one of the few com-petitive activities in which high-level performances are possihigh-level performances are possible as you grow older. Ian McCance, a 65-year-old lecturer in physiology who represented Australia in a world championship a quarter-century ago, did some brilliant card reading on the diagramed deal. It was played in a tournament in Queensland earlier this year and was reported by Dick his year and was reported by Dick

North-South should have reached four spades but failed to id that suit, perhaps because ast's take-out double suggested a bad split in that suit. They reached a precarious five diamonds and West led the spade detice, 2 conspicuous singleton. McCance as

one heart, and there were only 14 highcard points missing. East must therefore have made his take-out double with something less than the normal point requirement and must have some distributional compensation. South led a club from his hand, ducked in dummy and was rewarded when the acc popped up on his right. If this play had failed, it was likely that the contract was doomed on any play. East returned a heart to dummy's ace, and two club winners

were cashed. The club seven was led, and East was forced to throw a heart, and South ruffed in his hand and ruffed a heart. This reduced the North and East hands to three spades South won with the spade ace, drew each, and the lead of the six of

trumps ending in his hand, and did some thinking. West needed a few points to bid spades completed the good work: East was endplayed and the "im-possible" game was made.

NORTH (D) **♠KJ**66 • KQ92 • KQ78 WEST SOUTH

♣ A 8 7 4 ♥ 10 6 5 ◆ A 5 4 3 ♣ 4 3 Pass

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THE TRIB INDEX: 103.97

International Herald Tribune World Stock Index c, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the Index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries the lan trop stocks are troobed. 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx, weighing, 25%	Approx. weighting: 40%	Approx, weighing: 35%
180 Close: 124.28 Prev.: 122.50	Close: 97.48 Prev.: 98.11	Closs: 93.34 Prev.: 92.90
120	Down: 0 641	Up 8.47 ⁵
100		
90		
F M A M J J 1993 World Index	FMAMJJ 1993	FMAMJJ 1903
Industrial Sect	ors	
The Pres.		The Prest. %

Services 112.84 111.91 +0.83 Miscellaneous

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100.47 99.92 +0.55

Nestlé To Buy Italgel

Computed by Our Staff From Disputches ROME - In Italy's first sale since announcing plans for a sweeping privatization program last fall, IRI announced Thursday that it had sold the frozen-foods

concern Italgel to Nestle SA.

Italgel, which makes Motta ice
creams and other sweets, is 62 percent owned by IRI's Societa Finan-ziaria Meridionale foods unit. The Swiss food giant will pay a intal of 437 billion lire (\$273 million), or 1,550 lire a share, for the stake. IRL or Istituto per la Ricostru-

day that it had rejected all bids for SME's Cirio-Bertolli-De Rica oils and canned-foods unit. In a statement after a 13-hour board meeting, IRI said that the offers were omplete, conditional and insufficient," and that it would now seek a hayer for the group through

private negotiations.

As the first concrete achievement in Italy's privatization program, the sale of Italgel is likely to be taken enthusiastically by a market weary of empty promises. But financial analysts said the failure to sell Cirio also showed how difficult it would be for Rome to sell off the companies it wants to at the prices it would like.

The "news underlines how difficult it is to dispose of assets in the current economic environment," said William Cowan, Italian analyst at the London broker James Capel. SME was placed on the block earlier this year in hopes of raising

cash to help IRI cover its soaring debts, which stood recently at 70 trillion lire. The U.S. investmentbanking concern Wasserstein Perella & Co. was hired to find buyers. Among IRI's mixed bag of com-panies, which range from banks to television to shipbuilding, SME has traditionally been profitable.

(AFX, AP, Reuters)

China Isn't Big Enough **Growth-Hungry CITIC Looks Abroad**

By Kevin Murphy International Herald Tribune

BELIING - China International Trust & Investment Corp., a pace-setter in the country's march toward a free-market economy, aims to double its assets to 120 billion yuan (520.8 billion)

But as economic conditions and lines of political influence grow less certain at home, the company charged by Beijing with leading Chinese industry hy example is streamlining its focus and looking overseas, particularly in Australia, for a large share of its growth.

"We are a conglomerate that wants to grow quickly," said CTTIC's chairman, We Mingyi. "But we must narrow our spectrum, which has grown too wide. We even owned restaurants. That is not our business.

With a nationwide credit squeeze under way and Beijing directly intervening in business affairs to steer the economy back from the brink of chaos, CITIC's strategy will be closely watched by do-mestic business rivals and probably imitated.

"CITIC is a very, very interesting company, but a lot of other groups are chasing them now in China," said Boh Broadfoot of Political & Economie Risk Consultants in Hong Kong. "Any diversification move abroad gets them away from China where the real battles for expansion and patronage will be taking place," said Mr. Broad-

foot.
"We welcome the government's policies," said Mr. Wei, referring to Beijing's recent efforts to regain control of the national money supply and curh inflation, which hit 20.6 percent in China's largest cities in June.

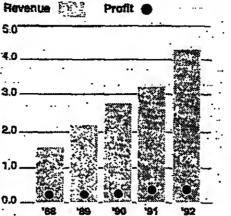
should not be affected by moves to restrict credit because we are not quite interested in the very hot areas of property and stock market specu-lation," said Mr. Wei. "We are mainly operating in those areas where the state is encouraging invest-ment, especially in infrastructure. We have plenty of room to grow."

Using the party line as an investment guide has paid off handsomely for CITIC, which was started in 1979 with \$5 million by Rong Yiren, the son of a wealthy industrialist who chose not to fice the Communist victory in 1949.

Mr. Rong and the group were directly entrusted by Deng Xiaoping, who had recently initiated free-market economic programs and an commercial opening to the rest of the world, with helping modernize the Chinese economy.

For his efforts, Mr. Rong was recently named

CITIC's Recent Growth in biflions of yuan



China's vice president, and Mr. Wei, his replacement, sill reports directly to China's State Council,

In 14 years since effectively creating the state's investment bank, CTTIC's mission has been to im-port technology and management expertise, raise capital and promote foreign trade and investment. Along the way, it formed the first Sino-foreign joint venture, was the first Chinese borrower to raise money in international bond markets since 1949 and built a 50 billion yuan empire with a

presence in 17 countries.

Plans for CITIC Australia are typical of the aggressive growth strategy abroad: secure access to natural resources and finance needed by China, and turn a few smart deals in the process.

CITIC has been a leader among Chinese state-run ampanies, which, according to a report in the official China Daily newspaper, have put \$5 billion

into overseas ventures in the past decade.
"In the later part of 1989, head office decided to expand overseas in four major areas: North America, Europe, Hong Kong and Australia," said Zhang Jijing, managing director of CITIC Austra-

Mr. Zhang was sent to Australia in 1986 to manage China's then-largest overseas investment, See CTTIC, Page 15

U.S. GNP Grew Only 1.6% in Latest Quarter

WASHINGTON - The U.S. economy grew at a meager annual rate of 1.6 percent in the second quarter, despite a rebound in con-sumer spending, the government announced Thursday.

The growth in the gross domestic product, the sum of all goods and services produced within U.S. borders, was clearly better than the anemie 0.7 percent rate registered in the first three months of the year. But it fell far short of the 2.3 percent rate predicted by private

economists and the 2.5 percent to 3 percent rate that was forecast by the Federal Reserve Board chairman, Alan Greenspan, "The economy remains mired in a slow-growth rut," said Gary Ci-

minero, ehief economist for Fleet Financial Group. "While we are clearly out of a

recession, these figures reflect ane-mic growth that will not produce the jobs we need," Commerce Sec-retary Ronald Brown said. Also Thursday, the Labor De-

partment said the number of Americans filing first-time claims for johless benefits shot up by 43,000 last week to 394,000, the highest level in 10 months. Much of the jump was attributed to temporary factors, including the Midwestern floods and a shutdown of automobile production lines.

The discouraging performance came despite the fact that consumer spending rose at a healthy 3.8 percent annual rate in the second quarter, enmpared with a tiny 0.8 percent rate in the first, the Commerce Department said.

The economy was held back chiefly because cantious businesses added \$25.3 billion fewer goods to believe the increase will come soon their inventories than in the first enough or be big enough to dampquarter. But that could be a good sign for the future.

If consumers keep buying, businesses would soon find they need to fatten their inventories and that could ripple through the economy in the form of increased factory orders and, possibly, more jobs.

The economy also was held back by a decline in the rate of home building, which fell 9.5 percent. Home-building activity had surged at a 25.1 percent rate in the final three months of last year before lapsing to a 1.4 percent growth rate during the first quarter.
In addition to consumer spend

ing, the other area of strength in the last quarter was purchases of ma-chinery, enmputers and other capital equipment by businesses enjoying strong profits. It rose at a 16.5 percent annual rate, the sixth consecutive quarter of gains.

Trade was a modest plus for the economy in the second quarter, after acting as a drag in the first quarter because of declining exports to Europe and Japan.

The economy now has been growing for nine consecutive quarters after the three-quarter reces-sion in 1990 and 1991. However, the Commerce Department noted that the pace of expansion had been about half as fast as the average of past recoveries.

Analysts are hopeful that the

economy will improve during the second half, helped by low interest

Low interest rates should foster growth in home building, auto sales and husiness-equipment spending. But Mr. Greenspan last week warned that the central bank would raise rates to quiet any signs of worsening inflation. He did not say when, and most analysts do not (AP, Bloomberg)

WALL STREET WATCH

Emergy 103.29 103.28 +0.01

Utilities 110.25 109.90 +0.32 Rew Materials

Finance. 115.20 114.16 +0.91 Consumer, Goods.

It Isn't Hard to Figure Out Why China Tire Went Flat

By Kurt Eichenwald New York Times Service

EW YORK - Few would ever argue that Wall Street makes a lot of sense. Now, just as some strategists are grumbling that new taxes and regulations from Washington increase the risks to American companies' share value, their investment-banking colleagues think they have found a place where corporate prospects are just dandy: China.

That enthusiasm for Chinese companies was evident this month hen shares of China Tire Holdings began trading on the Ne

York Stock Exchange. Demand for stock in this Bermuda-based holding company that controls two tire-manufacturing subsidiaries in China was intense: The 6.1 million shares in the initial public offering were priced July 15 at \$17 each, above

When free-marketers turn their faith over to central planners.

the expected range of \$13 to \$15. Still, its success was predictable. A few weeks earlier, the initial public offering of Ek Chor China Motorcycle had also been priced several dollars above the expected range of \$16 to \$18 a share. Investors expected that China Tire would be another Ek Chor.

As it turned out they were right — but not in the way they thought. Prices of both stocks began marching steadily downhill shortly after their market debuts. From its peak of \$18.75; China Tire closed Thursday at \$12.50 on the New York Stock Exchange.

The trading history of China Tire provides a particularly useful

illustration of what can happen when free-marketers turn their faith Chinese newspaper, reported that the government had imposed tighter controls on institutional purchases of automobiles as part of its austerity plan.

The result, the newspaper said, was that vehicle prices were

declining while inventories were rising rapidly at automakers, as much as 40 percent higher at the end of May than a year earlier. A glut of cars usually translates into lower production. And lower production means less demand for tires. In any language, that means now may not be the best time to hold a tiremaker's stock. And China Tire is not the only company in this giant market. As China opens up, more foreign competitors are likely to join the more than 100 tire manufacturers already in the industry.

In fact, so many companies are competing to jump into the tire market that even Communist officials have recognized what seems to have escaped some investors: When lots of companies are producing tires, soon there are too many of them. Could it be that the Communist government understands the rules of supply and demand better than Wall Street?

De Larosière Gains Support In Hunt for EBRD Chief

By Erik Ipsen anal Herald Tribune

LONDON - The Italian government came under intense pressure on Thursday to withdraw its candidate for the presidency of the European Bank for Reconstruction and Development in order to clear the found its man.

On Wednesda governor, to take the job.

Larosière," said Asger Lund-Sorensen, the Danish rep- had thrown its support to Mr. de Larosière. resentative on the EBRD's board of directors. "I have there was no denying that Rome's insistence on back-ing former Prime Minister Giuliano Amato presented "mismanagement" for the premature news of a Euro-to the world the image of a battered and bungling pean candidate.

European Community unable to agree on even the simplest issues. That impression was magnified by what proved to be a premature announcement from the Belgian government, acting in its capacity as the holder of the six-month presidency, that the EC had

On Wednesday, Finance Minister Philippe Maystadt of Belgium sent a letter to his European Comm That pressure was heightened by the decision of nity peers as well as to Anne Wibble, the Swedish Denmark on Thursday to withdraw its candidate in finance minister and chairman of the EBRD's board, favor of the Frenchman. "Our candidate is now Mr. de informing them that after weeks of wrangling the EC Not so fast, retorted the Italians. "We supported

While few would disagree with that conclusion, him today," insisted Guiseppe Maresca, Italy's repre-

On Thursday morning, Treasury Minister Piero Barneci of Italy underlined his government's displeasure by sending a terse letter to his Belgian counter-part, insisting Rome felt it had adequate backing from other EC capitals for its candidate, and noting that "this contrasts with your statement of a consensus of Community level support for Mr. Larosière."

The Belgians' claim of a consensus was further undermined by the fact that Denmark did not withdraw its candidate. Henning Christophersen, the EC Commission's vice president for economic affairs, until Thursday morning, "Last night, we made it quite elear we had not withdrawn the Danish candidate,"

The growing sense that the EBRD needs to get a new president on board as soon as possible and needs to avoid messy, potentially divisive electioneering amongst its member governments has combined to

put pressure on Rome. "We recognize that the EC nations, as the majority shareholders in the bank, are expected to sort out one candidate and that if we do the presidency is almost decided," said Mr. Maresca, who also acknowledged his government was being pressured to fall into line.

On Friday, Prime Minister Carlo Azeglio Ciampi is to meet with his French counterpart, Edouard Balladur, in Paris. Some diplomats expect that Mr. Ciampi will use that opportunity to withdraw his candidate in return for Paris's help on matters of concern to Rome.

That would leave Leszek Balcerowicz, Poland's former finance minister, as the only other declared candi-Larosière - including that of Russia last week -Warsaw is expected to withdraw its candidate.

EBRD officials are also said to be eager to see the

field of candidates narrowed to one.

GM Swings Into Profit With \$889 Million Gain

By Doron P. Levin .. New York Times Service

DETROIT - Benefiting from efficiencies in carmaking and strong performances by its nonautomotive subsidiaries, General Motors Corp. said Thursday that it earned \$889 million, or 92 cents a share, in the second quarter, re-turning to profitability after a loss of \$703 million a year earlier.

GM's sharply improved results followed on the heels of strong earnings reports Wednesday by Chrysler Corp. and the Ford Motor Co. Overall, the U.S. auto industry has been enjoying rising demand for cars and light trucks after three years of sluggish sales.

For General Motors, the quarterly results demonstrated progress toward recovery after three years of horrendous losses. GM executives said; however, that the company

had quite a way to go before it was

healthy again.
"We've shown that the GM team can be innovative, responsive and effective," said John F. Smith Jr., the president. But we must keep the momentum going in our long iourney to regain a position of traditional financial strength."

Executives are concerned the United Auto Workers union may misread an improving bottom line as a sign of health and demand a fat wage and benefit package in contract negotiations. Insofar as they have helped boost quality and pro-ductivity, the autoworkers deserve much of the credit for the improving financial picture, according to Owen Bieber, the union president. There can be no doubt that they have every right to share equitably in the industry's comeback, he said.

Of the \$389 million earned by

See GM, Page 14

Auto-Industry Secrets Battle Broadens Germans Investigate Possible Perjury by VW's López

By Ferdinand Protzman

New York Times Survice
FRANKFURT — The industrial-espionage battle between Volkswagen AG and General Motors Corp. broadened Thursday as prosecutors in Hamburg announced a new investigation of José Ignacio López de Ar-riortúa, the controversial VW production chief accused of stealing GM trade secrets.

The new investigation coincided with a fresh round of mudslinging, one day after Ferdinand Piech, VW's chairman, publicly suggested that GM may have manipulated evidence in the case. He accused the company of waging "international economic war in order to ruin VW." General Motors officials rejected those claims at a news conference in Frankfurt on Thursday.

The Hamburg State Prosecutor's office said it was investigating whether Mr. Lopez and some of his VW colleagues committed perjury earlier this month in sworn testimony at a hearing in Hamburg State cnurt. It did not name the other suspects. In giving their version of events in the trade-secrets dispute, the VW executives directly contradicted

statements by employees of Adam Opel AG, GM's German subsidiary. The bearing was to determine whether Der Spiegel, Germany's most influential news magazine, had sufficient grounds in continue publishing assertions that Mr Lopez and seven VW employees who followed him when he left GM for VW last spring had stolen trade

The court ruled on July 21 that the magazine had sufficient evidence to make such

Prosecutors in Darmstadt, Germany, as well as the U.S. Justice Department, are already investigating GM's claim that Mr. Lopez and the seven employees who followed him systematically assembled and stole proprietary information.

"The lawyers for GM drew our attention in this," said Rüdiger Bagger, a spokesman for the Hamburg prosecutor's office. He was referring to a letter sent by Opel's legal de-partment, detailing the incidents of contradiction and pointing out that since both ver-sions cannot possibly be correct, one version

Mr. Bagger warned that the investigation should not be seen as presuming guilt on Mr. should not be seen as presuming guilt on Mr.
Lopez's part. Because of the heavy publicity
surrounding the affair, "in this case special
measure of the presumption of innocence
applies," he said, adding that the truth would
only come from the investigation being conducted by the Darmstadt prosecutor's office.

GM officials said they were astonished by VW's response to such serious allegations against Mr. Lopez and stunned by Mr. Piech's rambling assault on GM and Opel on Wednesday.

In Frankfurt, Hans Wilhelm Gab, the executive vice-president of General Motors Europe and a member of Opel's supervisory board. rejected Mr. Piech's version of the trade-secrets struggle. He zeroed in on the VW chairman's allegation that an unknown "fourth party" handled four cartons of GM documents that were found in the Wiesbaden apartment of one of the former GM employees

"The investigation will show that this allegation is just as lacking in substance as the other accusations now made by Mr. Piech."

In U.S., Fight Is Seen as Test Case on Industrial Espionage

By Frank Swoboda

and Warren Brown Washington Post Service

WASHINGTON - The U.S. administration hopes to turn the bitter fend between General Motors Corp. and Volkswagen AG into a test case against industrial spying by foreign corporations and governments.

Justice Department officials say that it wants to use the fight between two of the world's largest automakers, over the defection of a top GM executive, to try to enmbat what it fears is a rising trend toward industrial espionage by America's global trading

"The administration is eager to make a test case and this is going to be a big one," a Justice Department source said. "What's really at stake is the whole question of industrial espionage."

The department is investigating allegations by General Motors Corp. that José Ignacio Lopez de Arrioriua, who headed GM's worldwide supply operations, stole confidential marketing, design and production documents involving a new Opel model when he bolted to Volkswagen AG in March. Opel, a the case, sources said.

GM subsidiary, is one of VW's major European competitors.

The investigation is being directed from

Washington, a reflection of the priority the administration is giving it. "This is not being run out of the U.S. attorney's office in Detroit, this case is being run out of main Justice," the source said.

The fight between the auto giants underscores a growing concern that industrial espi-onage is on the increase in an atmosphere of intense enmpetition and rapidly changing

technology.

In April, the Central Intelligence Agency warned U.S. companies at the Paris Air Show that their secrets had been targeted by French intelligence agents, a charge the French de-nied. Since then, the administration has been looking for a test case to take to the courts as a warning to other corporations and coun-

tries, the Justice Department source said. FBI agents from the Detroit field office. working under the direction of the Justice Department's criminal division, have been sifting through files at GM's corporate headquarters, and GM executives have met with Justice investigators several times to discuss

Government sources emphasized that there was no connection between the investigations in the United States and the ones in Germany, but said the two governments probably would be in contact about the case eventually.

GM filed suit against Volkswagen in Germany shortly after Mr. Lopez left to join VW, charging that he had taken 14 boxes of secret documents with him, Since then, German prosecutors have found four boxes of GM documents in the Wiesbaden apartment of two former GM employees who followed Mr. Lopez to VW.

German prosecutors said last week that the boxes contained data for the new Opel cars and had been translated into German at Mr. Lopez's request. It has not been established whether the four boxes seized by the prosecutors were part of the 14 boxes Mr. López was initially accused of taking.

The unauthorized shipment of corporate papers across state lines or out of the United ates is a federal offense, said John Vassil, an attorney with the New York firm of Morgan & Finnegan, which specializes in intellec-

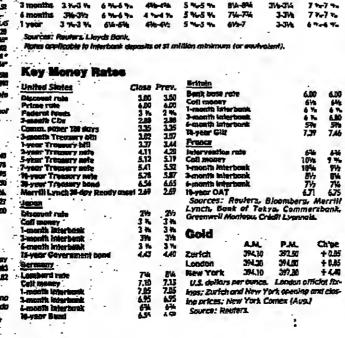


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Syramore Co.

EUROPEAN FUTURES

Lower U.S. Rates Push Stocks Up

NEW YORK - Stock prices rallied on the New York Stock Exchange on Thursday, as falling long-term interest rates prompted investors to overlook more signs of

Gold prices, meanwhile, soared above \$400 an ounce during the

N.Y. Stocks

trading day for the first time in about three years, on growing con-cerns that the European Monetary System is about to unravel. Investors boy gold when currency fluctuations threaten the value of other assets. The metal eased later 10 close 81 \$397.80. up \$4.40.

The Dow Jones industrial average climbed 13.97 to 3.567.42, settling a hair shy of its record closing high of 3,567.70, which was set on Mondey. Advancing issues out-pumbered decliners 5 to 3.

"Interest rates continue to fall. and that's the driving force behind the stock market," said Richard Meyer, head of institutional tradiog at Ladenburg. Thalmann & Co.

Lower rates are viewed as positive for equities because they encourage people to move funds our arrange of 1.2% on 1994 model cars and trucks.

of low-yielding fixed-rate invest-

ments and into the stock market. The yield oo the benchmark 30year Treasury bond tumbled eight basis points to 6.57 percent. Yields dropped after the Commerce Department said the economy expanded at a rate of only 1.6 percent in the second quarter, lagging behind the 2.2 percent pace econo-

The surge in stocks was led by Allied-Signal Inc., which jumped 21/2 to 71% on better-than-expected second-quarter earnings.

The gain in the Dow was tempered by weakness in Aluminum Co. of America shares and computer-guided sell orders that took effect in afternoon trading. Alcoa, which has rallied in recent days, closed down 1 3/at 71 3/amid gloom generated by the meager gross do-mestic product growth.

Sun Microsystems rose I to 29%. The computer-workstation maker's fourth-quarter carnings soared to 72 cents a share from 37 cents a year ago, surpassing analysts' esti-mates of 66 cents.

Chrysler Corp. rallied 11/4 to 43%

GRID: Franc Open to Speculators

Continued from Page I

pending the system of fixed ex-

change parities.

Market conviction that the system of fixed exchange rates will collapse, freeing Germany's neighbors to slash interest rates to levels more appropriate with deepening economic recession and rising un-

Foreign Exchange

employment, was evidenced by the strong rally in prices of French stocks and bonds

The CAC-40 index of French stocks rose 46,47 points, and yields oo 10-year government bonds, which move inversely to prices, fell nine basis points, to 6.69 percent, in the belief that once the franc was removed from the ERM the goverament would have a free hand to

cut interest rates.
But analysts in France insisted that the system would hold. "We solute floor is 3.4305 per mark. face a crisis in the foreign exchange market, a maximum of three days of hard selling and then it will be all over when speculators get fed up and realize there's no profit to be made," said François-Xavier

Chauchat at Banque Indosuez. Jean-Paul Betbeze at Crédit L. onnais said the foreign-exchange market was underestimating the significance of the fiscal stimulus of the 70 billion francs (\$11.93 bil-lion) of measures announced

The state of the s

ladur. "Lower interest rates are only one way out of recession. The spending measures are another and will have an impressive effect start-

ing in September.

The mood in Germany was more somber Roland Scharff at BHF Bank in Frankfurt said the other European currencies had to be cut free and allowed to float because Germany is no longer a model of stability that it was before unification, Germany cannot cut interest rates for domestic reasons fast enough to suit France, and there is no reason for France to keep interest rates so high as to be a drain on

Amex Diary

NASDAQ Diary

economic activity."

The French franc briefly traded as low as 3,4240 per Deutsche mark in New York after European markets closed but ended the day at 3.4180 in London - the level at which the French and German central banks have been jointly intervening to support. The franc's ab-

The Belgian franc, which traditionally moves in a self-imposed very narrow range of 20.50-.70 against the mark fell sharply to 20.95 — not far from its official floor of 21.10.

The dollar benefited from the ERM turmoil, soaring to 1.7395 overcante its recent weakness against the yen, rising to 106.505 from 105.950.

Dow Jones Averages The Dow High Low Lost Chg. Daily closings of the Dow Jones Industrial average NYSE Indexes NASDAQ indexes **AMEX Stock Index** Dow Jones Bond Averages AMEX Most Actives Market Sales N.Y.S.E. Odd-Lot Trading **NYSE Diary** S&P 100 Index Options

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Half of Altman Charges Dismissed

NEW YORK (AP) — A judge threw out four of eight criminal charge. Is Thursday against Robert Altman, the Washington lawyer accused of conspiring with the now-definet Bank of Credit & Commerce International to defraud federal regulators.

Mr. Altman, who still faces one count of conspiracy to defraud fregulators and three counts of conspiring to submit false documents, was a senior executive of First American Bankshares Inc., the biggest commercial banking company in Washington. Prosecutors allege he allowed mercial-banking company in Washington. Prosecutors allege he allowed

mercial-banking company in Washington. Prosecutors allege he allowed BCC1 to secretly gain control of First American.

BCC1's global operations were closed by international regulators two secretly gain desired of lovely operations were closed by international regulators two years ago amid charges of lovely operations including money years ago amid charges of lovely operations including money laundering and arms-smuggling. Losses from its collapse are estimated to exceed \$10 billion.

Price War Hurts Earnings at RJR

NEW YORK (Bloomberg) — RIR Nabisco Holdings Corp. said second-quarter operating profit fell 32 percent as a cigarette price war dragged down results at its domestic tobacco business.

Earnings of food operations and the international tobacco businesses however, were higher than a year earlier, RIR said.

Profit from operations, excluding a charge for early retirement of debt. was \$142 million, or 10 cents a share, down from \$209 million, or 15 cents, a year earlier. Profit at the international tobacco unit was up 9 percent to

a year earlier. Profit at the international tobacco unit was up 9 percent, to \$146 million. Nabisco, the food unit, earned \$254 million, up 6 percent.

UAL Posts an 'Unsatisfactory' Profit

CHICAGO (UPI) — UAL Corp., parent of United Airlines, on Thursday reported second-quarter earnings of \$22 million, or 54 cents a share, reversing a loss of \$91 million in the year-earlier quarter.

Revenue advanced 13 percent, to \$3.55 billion from \$3.14 billion. The results were "clearly unsatisfactory." Chairman Stephen M. Wolf said. He said the company's "long-term viability" would require "substantial" further cuts in costs.

Mr. Wolf said revenue was eroded by continued fare discounting on North Atlantic and domestic routes and weak demand in the Pacific

U.S. and Mexico Set Cleanup Agency WASHINGTON (NYT) - The United States is planning to create a

ioint agency with Mexico that would issue bonds to pay for keeping their border clean, seeking to gain support from environmentalists for the North American Free Trade Agreement.

"It's a new Mexico-U.S. binational authority," said a U.S. official who insisted on anonymity. "It would be able to go into the market and float bands poid for by more force."

bends paid for by user fees." The agency is to issue bonds to pay for treatment centers for sewage and for drinking water along the Rio Grande and other rivers. Fees from residents on both sides of the border would be used to repay the bonds.

Europe Drags Down Disney Results

BURBANK, California (Combined Dispatches) — Walt Disney Co. said it had a loss on its investment in the Euro Disney theme park in France of \$30.9 million in its third quarter, bringing the company's

earnings below the expected level.

Disney said the French park also expects a loss during the fourth quarter, ending Sept. 30, the peak summer season.

Disney had operating profit of \$242.7 million, or 45 cents a share, compared with \$220.8 million, or 41 cents, a year earlier. Revenue rose to \$1.93 billion from \$1.88 billion. Results were below the mean forecast of 47 cents a share made in a survey of analysts. . (Reuters, Bloomberg)

For the Record

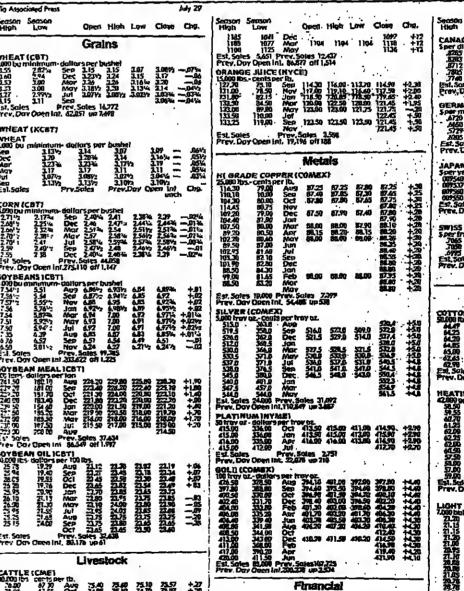
Xerox Corp. said profit fell 10 percent, to \$112 million, as copier sales fell. Revenue slipped to \$3.54 billion from \$3.55 billion. (Bloomberg) Microsoft Corp. posted 26 percent higher profit for its fourth quarter. Its president, Bill Gates, cited demand for its Windows software. (AFP)

France Is Urged to Quit ERM

LONDON — Six leading economists called Thursday for France to lead the way in the abandonment of the ERM.

In an article in the Financial Times, they argued that Europe was repeating the mistakes of the 1930s, when countries tried to maintain currency values in spite of economic depression. Forsaking the present monetary system in which a crisis such as the current one cannot be repeated," the article said.

U.S. FUTURES



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Market Guide

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Settlemen Allianz **Plans 3,000 Job Cuts**

MUNICH - Allianz AG Holding, Germany's largest insurer, said Thursday it planned to cut its work force by 3,000 this year to about 60,000 saving an estimated 150 mil-Lion Deutsche marks (\$87.2 million). That will mean the company will have cut its work force by 10.4

percent by the end of 1993. Allianz had already slashed 4,000 jobs in 1992 as part of a wide-ranging streamlining program, which includes restructuring its domestic

The figures do not include staff at Deutsche Krankenversicherungs AG, the East German insurer that Allianz bought following German remification in 1989, Chief Executive Henning Schulte-Noelle told iournalists at the company's annual earnings conference.

Mr. Schulte-Noelle also forecast a narrower loss on Allianz's underwriting business in 1993. "We'll be satisfied if we can improve our underwriting results significantly, and fre optimistic about these pros-pects this year," he said.

In 1992, the group's underwrit-mg loss shrank slightly, to 1.68 billion Deutsche marks (\$977 million), from 1.78 billion DM a year before. That was a 5.4 percent improvement, a rate that Mr. Schulte-Noelle said the company aimed to surpass this year.

Allianz's underwriting business was dented last year by higher claims on theft policies, particular-ly for automobiles, as well as on storm and hall damage, he said.

The life-insurance unit Allianz Lebensversicherungs AG posted a 16 percent increase in pren come in the first half of the year, to 4.7 billion DM

"Nevertheless, the slowdown in 0.00 the economy has not left the lifeinsurance business untouched," the company said. (Bloomberg, AFX)

Commerzbank Profit Up

Commerzbank AG said in Frankfurt that its first-half group operating profit rose 16.3 percent to 392 million DM, from 337 million DM in the same period of 1992.

Commerciant said it had set

aside some 831 million DM in risk provisions for problem loans, down 19.8 percent from the 1.04 billion DM a year earlier.

Net income from financial operations, a figure reported for the first time under new EC balancesheet regulations, surged 173 percent to 273 million DML

Store Clubs Cross Atlantic Warehouse Shopping Sets U.K. Debut

LONDON — Supermarkets in Britain, fighting for market share with increasingly popular U.K. discount chains, now face a new threat from American-style warehouse clubs led by Costco Whole-

sale Corp.

The clubs, already relatively common in the United States but a novelty in Europe, sell low-cost branded goods to restaurants, businesses and indi-

viduals who pay an annual membership fee. In the United States, such stores typically sell goods for about 15 percent less than supermarkets, taking advantage of their lower cost structures and

Now Costco is planning to bring the concept to Britain, opening its first warehouse in Thurrock, east of London, in December.

"Costco likes to say it sells everything but live animals," said Paul Moulton, managing orector of Costco's British subsidiary, Costco Europe (U.K.). Supermarkets contend that warehouse clubs are

"trying to sell to the public in a roundabout way," said a retailing analyst, Neil Currie, at Credit Lyon-nais Laing. "They are pseudo-retailers," he said. Costco opened its first unit in the United States in 1984. It now has about 102 warehouses in 15 states and Canada and plans to open six or seven

more in the next few weeks For the year ended Aug. 31, 1992, Costoo's sales jumped 25 percent to \$6.5 billion, and its net

income advanced 34 percent to \$1.13.3 million.

Last month, Costco agreed to merge with another American warehouse club, Price Co., in a move that will create the United States' second-largest warehouse club, with 195 clubs and annual sales of about \$16 billion. The industry leader is Sam's Club, a unit of Wal-Mart Stores Inc., with 282

The Thurrock warehouse plans to sell about 3,500 items including televisions and stereo equipment, clothing, household goods and antomobile parts as well as food.

About 75 percent of Costro's business in the United States comes from organizations such as restaurants. The company is unsure whether that will prove to be the case in Britain.

Costco's success in the British market is expect-

ed to depend on how deeply it can undercut prices in major supermarkets, which account for 60 per-cent of British food sales. That means keeping its own costs down.

It suffered a setback this month on that issue when the Department of the Environment ruled that warehouse clubs should be treated as normal retailers, meaning that in general they must build on land earmarked for retailing rather than on less expensive industrial land.

Costco had won permission from local authorities in Thurrock to build its warehouse on industrial land, but large supermarket operators objected,

leading to the government ruling.

I. Sainsbury PLC, Tesco PLC and Argyll Group
PLC's Safeway unit jointly challenged the local

'Costco likes to say it sells everything but live animals.' Paul Moulton, managing director of

Costco Europe (U.K.) council's decision to categorize Costco as a whole-saler rather than a retailer. A spokesman said the

three wanted a "level playing field" in the struggle for food huyers' business. "The retailers aren't worried about competition; they all compete with each other," he said, and the stores had "no objection to Costco setting up in the

U.K. - if it's on a retail basis." Costco's Mr. Moulton said the ruling would not be a major setback for the company. "I'm sure the supermarkets would just as soon not have any more competition," he said, but warehouse clubs would in any case compete with supermarkets only on selected items.

He said however, that Costco was having some problems obtaining suppliers for its Thurrock warehouse because of the close relationship between suppliers and existing supermarket chains.

As a result of these uncertainties, Costco is being cautious about the timetable for its British expan-

sion and has withdrawn its application to open a second warehouse near Manchester.

ICI Profit Exceeds Forecasts, Rising 14% in First Half

percent in the first half, to £167 a share paid by ICI a year earlier. million (\$249 million), from £145

million a year earlier. The earnings, ICI's first since it moved its pharmaceutical and agreechemical activities to a new subsidiary, Zeneca Group PLC, on June 1, were slightly better than analysts' predictions, which had ranged from £130 million to £160 million. The company credited a better performance by industrial nicals and gains in some over-

seas markets.

Sales rose 9 percent, to £4.17 billion from £3.82 billion, but much of the increase was due to exchange-rate movements, 1Cl said. Earnings per share rose to 124 pence from 11.2 pence, and the company declared an interim divi-dend of 10.5 pence a share.

Sir Denys Henderson, the chairman, said it was "difficult to see any improved trend" in the world economy in the next six months. Although Britain appeared to be coming ont of its recession. he said, there was "no evidence of any recovery" in Continental Europe, and prices remained under

Zeneca, meanwhile, reported first-half profit of £367 million, up 40 percent from £261 million a year earlier, when the operations were still consolidated with ICI's, Its resuit also was slightly better than analysts' forecasts, which ranged from £320 million to £355 million. Sales rose 12.5 percent to £2.3

Compiled by Our Staff From Dispatches 10 33.3 pence from 24.6 pence. It set LONDON - Imperial Chemi- an interim dividend of 10.5 pence a cal Industries PLC said Thursday share. The combined ICI and Zenthat its pretax profit had risen 14 eca dividends matched the 21 pence

> Zeneca's chief executive. David Barnes, said the company was considering various business alliances, including a merger or an acquisi-

tion, with other drug companies. "The problem and therefore the opportunity we have." he said at a news conference, "is that we have almost too many products to devel-op. That provides an opportunity to develop strategic alliances.

AFP. Reuters. Bloombergt

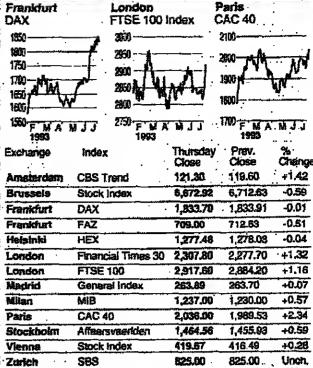
Solvay Shares Tumble on Loss

Compiled by Our Staff From Dispatches BRUSSELS — Belgium's largest chemical company. Solvay SA, posted a larger-than-expected loss of 5.72 biltion Belgian francs (\$159.8 million) for the first half of

1993, its first loss since 1981. The company's stock fell 2.9 percent to close at 11,700 francs, down 350 francs. Analysts feared the company

might cut its dividend.

The loss included a onetime charge of 3 billion francs to pay for closing its Couillet and Heilbronn soda-ash production units. Solvay said. (Bioomberg, Reuters)



Investor's Europe

Very briefly:

 Newspaper Publishing PLC, which owns The Independent, said its chief executive. Andreas Whittam Smith, was stepping down to concentrate on revamping the newspaper. He remains editor and has been appointed

Arameo for an undisclosed sum. It retains 22.8 percent of the terminal. • Kingfisher PLC bought just over half of the 4.7 percent of shares in Etablissements Darty & Fils SA it did not already own.

Spain's jobless rate climbed to 22,25 percent in the second quarter of 1993 from 21.74 percent in the first quarter and from 17.73 percent a year earlier. A total of 3.4 million people were jobless in the quarter.

 Istituto per la Ricostruzione Industriale's restructuring plan for the Italian telecommunications industry was approved by the Post Ministry. Bass PLC is in talks to sell its Augustus Barnett liquor store unit to the rival brewer, drinks and leisure group Allied-Lyons PLC.

EC Lets Italy Pay EFIM Debt

BRUSSELS - The Italian government struck a landmark deal with the EC Commission on Thursday that will allow Rome to pay off billions of dollars in debts run up by the state-owned EFIM conglomerate, Italian diplomats said.

The agreement, which is yet to be finalized, included pledge by Rome to forge ahead with a national privatization program so that the government would no longer be liable for the debts of the public sector after 1996, they said.

Banks have been pressing for repayment of loans to EFIM, but the government has been prevented from bailing the company out since the commission started an official inquiry in December to examine whether the repayments amounted to unfair state aid.

The diplomats said a "framework" agreement

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meant Rome would be able to cut the debts of EFIM and the state sector in general to a reasonable level. "The commission accepts that the debts will be paid," one diplomat said. "The banks know they will

get their money."

The commission's inquiry concerned 8.5 trillion lire
(\$5.3 billion) in EFIM debts, but it was not clear how much the agreement allowed Italy to pay off.

The diplomats also said that the Italian government was being asked to set the goal of curbing state ownership in industry by the end of 1996, adding that this was a target date and not a rigid deadline.

Karel van Miert, the EC commissioner for competition policy, was still waiting for confirmation from Italy's foreign minister, Beniamino Andreatta, that Italy was willing to go along with the deal, Mr. van Miert's spokesman said he could not comment until word had come from Mr. Andreatta.

COMPANY RESULTS



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NASDAQ prices as of 4 p.m. New York time.
This list compiled by the AP, consists of the 1,000 most traded ascurities in terms of dollar value. It is ecurities in terms of doll updated twice a year.

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Sources: Raulers, AFP

• Texaco Inc. sold a 34.35 percent stake in a Dutch oil terminal to Saudi

billion, and earnings per share rose



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include the nationwide prices up to ing on Well Street and do not reflect elsewhere. Via The Associated Press

GM: U.S. Carmaker Follows Ford and Chrysler With Strong 2d Quarter V Continued from Page 11

General Motors Acceptance Corp., Vid. Healy, automotive analyst at GM's finance arm.

GM, the biggest chunk, \$368 million, came from overseas automotive optive operations, largely reflecting relations showed a net loss of \$95 fore interest, taxes and accruals for the operations largely reflecting re-General Motors Acceptance Corp., million, compared with a \$761 miltive operations, largely reflecting ro-

bust business in Latin America. G. lion deficit last year. president and chief financial officer, said GM operations in Europe remained profitable despite slumping sales, which reflect the recession.

Since taking over as chief executive vice nine months ago, Mr. Smith two ni The next biggest-segment of "They're shrinking the loss, no profit. \$285 million, came from matter how you slice it," said Da-

Since taking over as chief execu-

American operations.
They're shrinking the loss, no

vid Healy, antomotive analyst at S.G. Warburg & Co.
Earnings in North America before interest, taxes and accruals for future medical expenses totaled North in North America. The automaker's

share of the U.S. vehicle market was 34.8 percent in the quarter, down from 36.5 percent last year.

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A Lot Riding on Japan's Rail Sale Weak Investor Response Could Depress the Market

By James Stemgold New York Times Service

The Mercal 2d (Mar)

TOKYO — For most people who live in Japan's urban areas, the morning rush-hour ritual includes rail-station employees physi-cally showing and squeezing passengers into overloaded cars as the doors close on their briefcases, clothes and limbs.

But whatever the system may lack in comfort, it remains one of the most efficient railroads in the world, which is why the government's plan to privatize the biggest part of it has drawn a good deal of interest to

an otherwise wobbly stock market.

After six years of planning and several false starts, Tokyo plans to sell half of the 4 million shares it owns in East Japan Railway Co., known as JR East. The first 600,000 shares will be anctioned in a process that starts next Priday, and the remaining 1.4 million sold at a fixed price, in one of Japan's largest and most

important privatizations in years.

One worry, in fact, is that the offering could be too big in a fragile market. It could bring in as much as 600 billion yen (\$5.64) billion), compared with 431 billion yen raised by corporate Japan from all issues of new securities in April, said Jeff Bahrenburg, semor market strategist at Merrill Lynch Japan. A failure of the JR East offering could badly hurt the overall stock market and damage the Finance Ministry's credibility.
Individual investors who fled to the sidelines in the first stages of the stock market's

plunge nearly four years ago are expected to

"If this issue failed, it would be a national crisis," said Jesper Koll, senior economist here with S.G. Warburg Securities, "They are desperate to prove that the Japanese stock market can function in the economic sense, channeling savings to investments"

This is a nation of railroads. The average Japanese person travels 1,800 miles a year by tram, compared with just over 600 miles for each French person and 48 miles for each

Japan's metropolitan regions are remarkably dense, allowing JR East to carry many

INTERNATIONAL STOCKS

more passengers than the national railroads of Germany, France, Britain and Switzerland with only a fraction of their employees and far fewer miles of track.

JR East was one of seven systems created when Japan National Railways was broken up in 1987 as it edged toward bankruptcy. It had long-term debt of 37.2 trillion yen.

JR East is the biggest and among the most promising of the most promising of the processors and among the most promising of the processors are treating with seven and the processors.

promising of the new operating units, serving the region from Tokyo north to the tip of Honshu, the main island. There are two bullet-train lines as well as a spider's web of commuter lines through the Tokyo region. in the year ended March 31, JR East had pretax profit of 100.9 billion yen. It projects a

ule increase this year, to 101.2 billion yen. Its long-term debt now is 5.1 trillion yen. But the company is heavily regulated, with be among those purchasing JR East shares. a virtual monopoly on most routes. The gov-

erament can decree its profitability by setting

Robert Rowland, an analyst at Barclays de Zoete Wedd Securities here, said JR East's stock could fetch as much as 550,000 yen a share, but that efforts to resurain the price will probably keep it below 400,000 yen. He expects the stock to show solid if unspectacular growth and to benefit from government help.

The Finance Ministry has already registered its concern for the market's overall health by requiring a number of pension funds it controls to purchase large amounts

"It's like buying a utility," Mr. Rowland said. "It's something you buy and hold."

■ Bidding Opened to Foreigners Investors will be able to submit bids for JR

East shares to Japan National Railways Settlements Corp. between next Friday and Aug. 11. Bloomberg Business News reported from Tokyo. The shares will be auctioned in lots of from 50 shares to 30,000 shares.

Foreign investors may participate, except for employees of foreign financial instimtions. Those who live abroad can only participate through a Japanese proxy such as a bank, securities company or other financial institution. They must submit a set of documents, including a letter of delegation, to JNR Settlements Corp. by Aug. 11. Shares

will be allotted Aug. 26.

An additional 1.4 million shares will be sold in a secondary offering to individual investors between Sept. 2 and 10.

Output Decline In Japan Is Now **Longest Ever**

TOKYO - Industrial production in Japan fell 5.1 percent in June from a year before, the 21st monthly decline in a row, the Ministry of International Trade and Industry said Thursday.

The decline is the longest on record, baving surpassed the 20-month decline in the recession of the 1970s, said Koichi Yoshimoto, a ministry official, and it is not expected to end soon.

Compared with May, output in June rose by a seasonally adjusted 1.3 percent, the ministry said. But economisis said the month-onmonth rise reflected low output in May rather than a sign that production was picking up. The year-on-year figure is a

more accurate reflection of what is going on in the economy," said Mat-thew Berlow, senior economist at Crédit Lyonnais Securities. "And the numbers aren't encouraging."

Many major industries, such as

automobile production, are coping with the economic slump by granting workers longer vacations this summer, which will mean weak production statistics for July and August as well.

The economic slowdown is also causing a problem of excess inventories at manufacturers. The data released Thursday showed that inventories had risen a seasonally adjusted 0.4 percent in June from May, after a revised 0.6 percent increase in May.

"There is very little demand from the private sector, and that is causing a drag on production." Mr. Yoshimoto said. "But there are signs that the economy is near hitting bottom."

The ministry's survey included a ratio of inventories to shipments, a number that normally begins to fall as the economy reaches the bottom of a downturn.

This inventory-to-shipment ratio fell a seasonally adjusted 1.2 percent in June, compared with May, the ministry said.

Separately, Japan's steel exports in June soared 45.7 percent from a year earlier to 2.26 million metric tons, the Japan Iron and Steel Federation said.

It was the 14th consecutive monthly increase in exports, the

Chemical Firm Slides Into Loss

mberg Business News TOKYO — Sumitomo Chemical Co. said Thursday that falling sales and the rising yen forced it into the red in the first half.

Sumitomo posted a current loss of 2.93 billion yen (\$27.5 million) for the six months ended June 30, It had profit of

9.08 billion yen a year earlier. The company forecast it would break even for the year, after posting a profit of 8.9 billion yen for 1992.

Sumitomo said a July 4 explosion at an epoxy resin plant was not factored into the earnings and would not have much impact on annual results.

can sell food sourced by CITIC Australia.

The Melbourne-based CITIC Australia has

also formed a joint venture, C.H. China Securi-



Very briefly:

Investor's Asia

 MBI Indochina, a Malaysian-controlled company, is leading a consortium that aims to build a power plant in Vietnam costing more than \$1.2 billion, the largest foreign investment in Vietnam to date.

 Dow Jones & Co. said it had agreed to take a 29.5 percent stake in Asian siness News of Singapore, Asia's first satellite news channel.

• Coca-Cola Co. said it would build a second bottling plant in China, in Chongqing in Sichuan province, with the Kerry Group of Malaysia.

 Malaysia is planning to pay for 18 Russian Mig-29 jet fighters by supplying Moscow with palm oil over a five-year period. · Groupe AXA of France said it would invest \$170 million in a bid to penetrate Japan's insurance market.

· Pertamina, Indonesia's state-owned oil company, said that stalled talks with Exxon Corp. over a joint oil project in the Natuna islands in the South China Sea were likely to resume. Pertamina had broken off the talks after rejecting Exxon's demand for a 70 percent stake.

 China closed an unauthorized stock exchange in Chengdu, Sichuan Province, in a move to centralize its booming securities markets.

 San Miguel Corp. said that its first-half net profit had fallen 2.9 percent from a year ago, to 1.62 billion pesos (\$58 million).

Reuters, AP, AFX, Bloombers, AFP

Japan Firms' Books Often Hide Currency Losses The nightmare for investors is that, under while Japan's Ministry of Finance has issued "There'e nothing you can do about it when

TOKYO - At Nippon Steel Chemical's stockholders' meeting June 29 there was no hint of the bombshell the company was. about to spring on investors. Just over a week later, the subsidiary of Nippon Steel announced it had hidden foreign-exchange losses of 13.9 billion yen (\$131.1 million).

The loss was caused by a commitment made in August 1990 in a forward foreign exchange contract to buy \$309.59 million at 152.75 yen to the dollar.

The foreign-exchange loss — the difference between the contract's worth and the amount it would cost to buy dollars now -. adds to the company's 8.45 billion yen consolidated current loss in the 1992 financial year and wipes out current profits for about

Japanese accounting standards, unrealized losses and gains go imreported until they come to maturity. The forward exchange contracts that many Japanese companies took out in the late 1980s will not come to light as long as the companies ask their banks to push back settlement dates.

nies," said Jason James, investment strategist at James Capel. And the exposure will known from looking at their financial state ments," said Nicholas Smith, an oil analyst of Japan and the Ministry of Finance last

guidelines to banks recommending caution you look at a company for investment pur-in extending foreign exchange contracts, poses, because there's no way of knowing for they are a long way from demanding tougher disclosure from companies.

In the largest such incident to come to light in recent years, the oil refiner Showa Shell Sekiyu admitted in February that it had In short, "it means you can't trust the a massive projected foreign-exchange loss of financial statements of Japanese compa125 billion yen.

"There's no way whatsoever you'd have gist at James Capet. And the company comes keep growing, even after the company comes clean with the loss, as long as the dollar at Jardine Fleming, "These commitments are off-balance sheet."

The Nippon Steel Chemical case and others like it illustrate the failure of Japanese oil companies, as well as trading companies, accounting standards to provide adequate of concealing large foreign-exchange loss po-information to investors, analysts say. And sitions. And there may be many more.

sure," said Mr. Smith, "It's one of the unknowns you have to reckon with when you invest in the Japanese market."

One way of stemming the losses and forcing Japanese companies to declare their true positions is to persuade the banks to wind up their contracts instead of forever extending them. The extensions are called historical

year issued guidelines to the banks which said that new contracts should not be extended beyond the financial year in which they were made. Old contracts - made prior to mid-1992 - should he wound up by 1995, the guidelines specify.

Hyundai Threatens To Close Its Shipyard

dai Group threatened Thursday to close the world's largest shipyard after labor-management negotiations broke down. Hyundal officials in Seoul said

hire labor leaders who had been dismissed. The group will close the strike-plagued Hyundai Heavy Industries Co. shipyard in Ulsan on Friday

the officials said.

benefits. The union raised the "un-

SEOUL - South Korea's Hyun-

the shipyard's militant union had rejected a new wage contract, decompany that is based in Hong Kong, Yaohan operates department stores and has targeted Chimanding that the company also rena for building a supermarket business which

unless 15,000 workers stop striking,

Earlier, company officials said agreement had been reached on a new contract that provided for a

acceptable" rehiring demand at the last minute, they said.

About 12,000 riot police were deployed in Ulsan to prevent possible violence. Government officials bave pressed Hyundai to settle dis-putes before the end of this month. A vote last Friday at Hyundai

Motor Co. helped Hyundai Group to settle disputes at five of its nine troubled units in Ulsan. But militant unions at the shipyard and three other plants had refused to Separately, South Korea posted

current-account deficit in June of \$591.3 million, the largest of the year, largely as a result of labor disputes, central bank officials said

MANILA - The tobacco tycoon Lucio Tan owes the Philippine government \$281.5 million in unpaid taxes from last year, bur lie may be offered a compromise allowing him to escape prosecution to avoid a capital flight, an official said Thursday.

The Internal Revenue commissioner, Liwayway Chato, said the

Taxes for Tobacco Tycoon

government would also finish assessing in three weeks back taxes on Mr. Tan's flagship company, Fortune Tobacco, from 1986 to 1991. Mr. Tan plans to protest the assessment, his lawyer said. Ms. Chato added that other suspected large tax evaders were being

investigated but declined to identify them. The crackdown is part of the agency's effort to increase government revenue in the face of growing deficits and widespread tax evasion.

CITIC: China's Growth Can't Keep Up With Investment Concern's Plans financial services, and consulting. Any one, or all CITIC Australia recently took a 10 percent stake Yaohan International, a private Japanese

a 10 percent stake in the Portland aluminum smelter in Victoria for \$140 million.

Now CITIC Australia, which has moved into trading and financial services, is looking to greatly expand from its current 266 million Australian dollars (\$179.8 million) in assets to at least double that within the next year and to quadruple annual revenue from about 100 milbon Australian dollars.

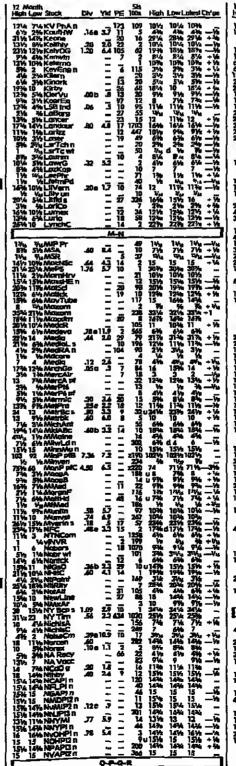
Mr. Zhang, who is about to close deals on buying into a major meat packer and a Queens-land coal mine, plans four business lines: energy

of them in some combination, could eventually he listed as a public company in Australia.

A related company, China International Trust & Investment Corp. Hong Kong (Holdings) Ltd., set the example when it listed its subsidiary CITIC Pacific Ltd. on the Hong Kong stock market.

The market value of CITIC Pacific, which contains several of CITIC's investments in bluechip Hong Kong businesses, has increased from approximately 1.1 billion Hong Kong dollars (\$141.8 million) in early 1991 to over 30 billion ment fund and possibly provide fund manage-

ties Ltd., with the Hambros Australia brokerage bouse in Sydney, a first for China. The venture will sell Chinese equities open to foreign investors, create an Australian-listed China invest-



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Blue Jays Rally, Again, To Embarrass Orioles

It was predictable.

For the second time in two nights, the Toronto Blue Jays rallied late to beat the Balomore Orioles. They erased a two-run deficit with two runs in the seventh inning. then an error by shortstop Cal Rip-ken allowed a run to score in the 10th as the Blue Jays won, 5-4, Wednesday evening.

And for the fourth time this year, for the 13th time since the final series of the 1989 season, the Blue Jays had beaten the Orioles in their final at-bat.

Baltimore, with its third straight loss, fell 3½ games behind firstplace Toronto in the American League East. Toronto, which has won six of its last seven, retained its half-game lead over New York and remained 14 ahead of Boston.

Reliever Mark Williamson issued a ooe-out walk in the 10th in Paul Molimr. Joe Carter then fouled off some tough pitches be-fore singling through the middle, with Molitor racing to third when center fielder Mike Devereaux bobbled the ball for an error. John Olerud was intentionally walked to

With the infield in, Tony Fernandez hit a ground ball toward Ripken, perhaps baseball's most sure-handed shortstop. But he bob-bled the ball, then threw high to

came sliding home.

Olerud, who had extended his hitting streak to 15 games with his 20th home run earlier — he is now batting .403 — set a team record with his 27th intentional walk.

"I wasn't expecting it," be said.
"I thought they'd bring in a left-hander to try and get the double

Olerud, who went 1-for-2 with three walks, said he doesn't mind

ALROUNDUP

the attention that goes with hitting streaks and a high batting average. "I wouldn't mind going through that kind of pressure again," he

said. "I wouldn't mind putting off the 0-fer for as long as possible." Yankees 12, Tigers 7: Pat Kelly bornered and singled for a careerhigh four RBIs as New York won

Don Mattingly and Paul O'Neill pen-also homered for the Yankees, who bad 18 hits, the most against Detroit this season. Travis Fryman got five hits for the first time in the majors and became the first Tiger to hit for the cycle since Hoot Evers against Cleveland on Sept. 9, 1950.

Red Sox 8, Brewers 4: Scott Cooper and John Flaherty each

catcher Chris Hoiles as Molitor drove in two runs in a sixth-inning rally that belped Bostoo snap a two-game losing streak in Milwau-

> Cooper grounded a bases-loaded single to put the Red Sox ahead, 4-3. Flaherty, batting .091, followed with a two-run double to complete the four-ruo inning.

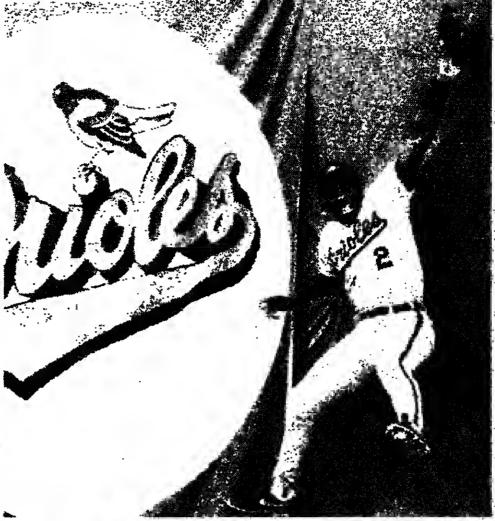
> White Sox 9, Indians 4: Robin Ventura hit a first-inning grand slam and Bo Jackson a three-run homer as Chicago swept three games from visiting Cleveland. Jackson's three-run homer capped a live-run second.

> Rangers 10, Royals 3: Rafael Palmeiro's second homer of the game capped a five-run fifth that gave Texas its victory in Kansas

> Palmeiro, whose homer the night before was Texas's lone hit in a 1-0 victory over Kevin Appier, hit his 22d of the season in the fourth. Io the fifth, Palmeiro lined a two-run homer into the Kansas City bull-

Ivan Rodriguez went 4-for-4 and ned the Rangers' record with eight straight hits over two games. The major league record is 12.

Angels 3, Athletics 2: Mark Langston beat visiting Oakland for the first time in six seasons as Chili



(WP, AP) Mark McLemore couldn't get to John Olerud's homer, then a walk in the minth led to more had news.

Phillies Gain in East, Giants Falter in West

After the game, Saberhagen denied that

he was the one Tuesday night who, from behind, sprayed bleach on three reporters

clubbouse. Despite a request by manage-ment, the guilty player did not step forward and take responsibility.

"I've talked to the players and I've told

them very strongly that the use of firecrack-

ers, fireworks or anything even resembling

fireworks - we're not going to tolerate it anymore." Green said. "We're oot going to

stand for any pranks, any practical jokes with the media. I told the club in no uncer-

tain terms that's the way I expect the behav-

But the words of Saberhagen, Hunsicker

Saberhagen did not direct any part of

his terse apology to the members of the news media, who were the targets of the firecrack-

er, and be continued to insist that it was

and Green seemed to contrast with other

statements or actions made recently:

nothing more than a "pracocal joke."

The races in the National League are going in different directions.

San Francisco saw its once-10game lead in the West cut to seven over Atlanta Wednesday night, while Philadelphia extended its margin over St. Louis in six.

Darren Daulton drove in six runs, four with a grand-slam home run, and Dave Hollins' two-run triple in the seventh inning put Phila-delphia ahead in stay as the Phillies, playing at bome, railied to beat

The Phillies trailed, 4-0, when

NEW YORK -The New York Mets held

against the Florida Marlins in an attempt to

address their plummeting public image and

their increasingly volatile relationship with

The players met first with the team's manager, Dallas Green, and its assistant vice

president, Gerry Hunsicker, then with Don-ald Fehr, the president of the Players Associ-

ation. Fehr had called an emergency meeting to discuss what he termed "an adversarial

relationship between some members of the

After the two meetings broke up, pitcher Bret Saberhagen gave a public apology for

lighting a firecracker and throwing it under a table near reporters after a game July 7. "It

was an inappropriate thing that I did, the practical joke. Saberhagen said.

Then Green and Hunsicker both insisted

that the organization did care about its pub-

lic image and would respond in certain unac-ceptable behavior by its players.

the New York-area news media.

club and members of the media."

runs on five hits.

"I had a feeling." Daulum said.
"I don't know wby, I thought we'd
be in the game all the way. I guess it

NL ROUNDUP

was the power of positive thinkiog." Loser Lee Guetterman pitched one inning and gave up three runs on three hits.

Francisco, taking two of three games to improve its season record

against the first-place Gisnts to 6-3.
The Dodgers got both runs in the third, with Jose Offerman doubling down the left-field line to score Jody Reed, who led off the inning with a single, and Eric Davis fol-lowing with an RBI single that got past a diving Royce Clayton at

Dodgers 2, Giants 1: Tom Can-diotti baffled the Giants with his ning tie as Atlanta beat host Colo-Houston won at home.

Mets Try to Cool Media War, but Was It Really Just Fun?

son hit a three-run homer during a five-run sixth that gave Chicago its victory over visiting San Diego.

Pirates 3. Expos 2: Al Martin beat out an infield single with two outs and the bases loaded in the ninth and Pittsburgh beat visiting Martine J. It was the 13th victory for the Pirates in their last at-bat.

Astros 4, Reds 2: Craig Biggio Braves 3, Rockies 2: Ron Gant's and Luis Gonzalez each drove in two runs against Cincinnati as

response to the bleach incident. Humicker girl who sustained second-degree burns unacknowledged that the Mets were taking oo der ber right eye, an injury to ber right index

the Los Angeles Fire Department over an tempted to eject them from the clubbouse, explosive that caused three injuries in the On Wednesday, before Saberhagen made his

On the same day he promised a strong

• Green was told of the firecracker inci-dent by members of the news media on the

day it occurred, but, according to statements

made by Saberhagen on Tnesday, Green

meeting with the players following the July 7 incident in which he insisted that "they

Obviously, though, at least two players — Vince Coleman and whoever sprayed the

bleach on the reporters -did not pay much

second straight game in response to what Green called the "distractions" that sur-

round the investigation of the outlielder by the Los Angeles Fire Department over an

Dodger Stadium parking after a game Satur-

Coleman was benched Wednesday for the

According to Hunsicker, Green had a the case.

never spoke to him about it.

should put away the toys."

SIDELINES

ing to the attorneys, said they will to file a

The Los Angeles County district attor-ney's office is expected to decide Thursday or Friday whether to file criminal charges in

The Mets have shielded Coleman from the

oews media and have not disciplined him, other than to publicly condemn his actions

On Tuesday, Green blamed the news me-dia for his inability to play Coleman, a

tionship between the manager and reporters.

ejected reporters from his office and at-

statement, Green looked at reporters and

muttered, "I don't know who's worse."

On more than one occasion, Green has

ment that underscores an imeasy rela-

civil lawsuit against Coleman.

as "reprehensible."

Zeile hit a grand slam off starter Terry Mulholland. But Philadelphia oed it in the third, scoring four Terry Mulholland. But Philadelphia oed it in the third, scoring four Cube & Padres & Kevin Rober Cube & Padres & Kevin Rober Terry Mulholland. But Philadelphia oed it in the third, scoring four Cube & Padres & Kevin Rober Terry Mulholland. But Philadelphia oed it in the third, scoring four Cube & Padres & Kevin Rober Terry Mulholland. But Philadelphia oed it in the third, scoring four Cube & Padres & Kevin Rober Terry Mulholland. But Philadelphia oed it in the third, scoring four Cube & Padres & Kevin Rober Terry Mulholland. But Philadelphia oed it in the third, scoring four Cube & Padres & Kevin Rober Terry Mulholland. But Philadelphia oed it in the third, scoring four

KUNGSBACKA, Sweden (AP) — Anders Forsbrand of Sweden and Peter Baker of England shot 5-under-par 67 Thursday to share the first-round lead in the Scandinavian Masters golf tournament.

Sam Torrance of Scotland headed a group of six players at 68. Nick Faldo, the world's top-ranked player, started the defense on the title he won on another course in southern Sweden last year with a 69. Forsbrand, trying to become the first Swede to qualify for Europe's Ryder Cup team, birdied the 18th hole from about five meters to go 5 under before a big callery at the Forcarden Golf Club.

NBA 76ers Sign Top Pick Bradley

PHILADELPHIA (AP) — First-round draft pick Shawn Bradley, a 7-loot-6 center and the second overall choice in the NBA draft, has signed a multiyear contract with the Phila-

delphia 76ers. Terms were not disclosed but the 76ers' owner, Harold Katz.

he four owner, harold wate, called the signing of Bradley, who has not played in two years, "the biggest gamble I've ever taken by far." He added, "I still have enough to go after a free agent or two." That's because the club renounced all rights to Manute Bol.

Ron Anderson, Greg Grant, Mitchell Wiggins, Eddie Lee Wil-kins and Charles Shackleford.

For the Record

Mario Lenieux, the NHL star bothered by recurring back pain last season, underwent surgery in which a muscle hernia in his lower back was repaired.

Goyo Vargas of Mexico, the WBC featherweight champion, will defend his title against Kevin Kelley of the United States in Dublin (AP)

on Sept. 11. Antonio Daris, who last season played for Philips Milan in the Ital-ian league, signed with the NBA Indiana Pacers after last three seasous in Europe. .

A Record Tied Griffey Homers in No. 8

The Associated Press

SEATTLE—It was a most unlikely drive, although certainly long enough, but with it Ken Griffey Jr. of the Seattle Mariners tied a major-league record by homering in his eighth consecutive game, major-league record by homering in his eighth consecutive game. The shot off the facing of the third deck in right field came in the seventh inning of Seattle's 5-1 loss to the Minnesota Twins on Wednesday night and tied the record set by Dale Long of the Pittsburgh Pirates in 1956 and Don Mattingly of the New York Yankeet in 1987

Griffey, who is 23, could break the record against Minnesota's Scott Erickson on Thursday night, But Erickson, although 6-11 with a 5.50 carned-run average, has given up only 15 home runs in 21 starts this year.

The record-tying bomer came on the first pitch of the seventh by Mimosota starter Willie Banks, who had allowed only two hits up to that point. Banks had struck out Griffey in the first inning and got bim to ground out to first base in the fourth.

Then he threw a high fastball.

"Was that pitch over his head or what?" said the Twins' manager,
Tom Kelly. "He didn't hit it short, either. He tomahawked the hell
out of it."

As Griffey went around the bases he received a long, standing ovation. Then he came out of the dugont twice to acknowledge the Kingdome crowd of 30,813. In the dugont, there were congratulations and handshakes from teammates and coaches for both Griffey and his father, the Marisers' hitting coach, Ken Griffey Sr.

After the game, Griffey wouldn't meet with reporters, but Dave Aust, the team's director of public relations, said Griffey told him he would talk "when it's all done."

"lunior is just 23," said a teammate, Mike Felder. "All this is Orifley, already a four-time All Star, has hit 117 homers in four

big league seasons. The one Wednesday night gave him the major league lead this season. He has 76 runs batted in, 27 fewer than his career-best of 103 set last season, and is batting .318. He hit a grand slam Tuesday off Minnesota's Kevin Tapani.

"Amazed? No. I'm not amazed. Surprised. No. I'm not surprised," said Ken Griffey Sr. "I know what he can do and it's just a matter of whether he wants it. We'll see how it works out."

Record Ended Young Stops at No. 27

By Jennifer Frey

New York Times Service NEW YORK - He didn't end it with a strikeout, or a sliderinduced grounder or even a simple fly ball, In fact, he didn't even end

Anthony Young was sitting on the dugout bench when Eddie Marriay hit a line drive to the right-field corner, and he was on his feet screaming in celebration when Ryan Thompson bunny bopped across the plate. New York had scored two runs in the bottom of the ninth. And Young — the much-celebrated loser — had finally gotten

Despite a rocky one-inning relief performance that yielded a run and, temporarily, the lead, Young's 27-game losing streak came to an end Wednesday night with a 5-4 victory over the Florida Marlins,

The losing streak, which dated to May 6, 1992, and stands as the longest in major league baseball history, included 14 defeats as a starter and 13 as a reliever. It stretched across 81 appearances and two seasons. He last won on April 19, 1992, a victory drought of 465 days. And it made Young absolutely miscrable.

"If wasn't a monkey," he said. "It was a zoo."

As Young relieved starter Bret Saberhagen and the top of the minth unfolded, the outcome was most certainly in doubt.

The first batter, Benito Santiago, singled to right. On the next play, catcher Todd Handley failed to cleanly field Darrell Whitnere's bunt, allowing Whitmere to reach first and Santiago to move to second. Walt Weiss then laid down a bunt toward third that Young quickly fielded — but he never threw the ball.

Young looked at third, but could not find Bobby Bonilla, then turned to first and found it was too late. He stood there, looking somewhat dumbfounded, with no outs and the bases loaded and loss No. 28 breathing down his neck.

His first bit of good luck came on the next play. Pinch-hitter Rich Renteria hit a grounder that Bonilla fielded and threw home. Hundley then threw to first for a double play. But Chuck Carr came to bat and bunied to score Whitmore and the Marlins had the lead.

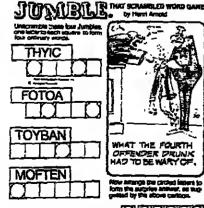
Young escaped the iming then, but was forced to depend on his teammates for salvation—an uncomfortable situation. "Tve lost a lot of games that way," Young said.

DENNIS THE MENACE



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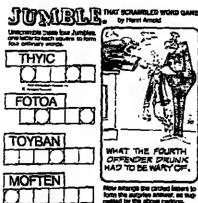
BEETLE BAILEY

AND HOW ARE

DOING TODAY?

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SPORTS BASKETS

Not Just Players Face Bans, Says Head of Soccer

Agence France-Presse

takis Truck Education VALENCIENNES, France — The president of France's soccer federation, Noël Le Graet, said Thursday that those involved in allegedly fixing the Marseille-Valenciennes match in May are about to be punished, and suggested that the punishments would be more widely meted out than he had previously indicated. Le Gract said that he did not want to see just the players suffer the consequences of the scan-dal that has rocked Olympique Marseille, the French and European champion.

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Jean-Pierre Bernes, who resigned Sunday as the club's general manager, and defender Jean-Jacques Eydelie have been accused of trying to Jacques Pyotene have oven accoused of trying to bribe three Valenciennes players — Christophe Robert, Jacques Glassmann and Jorge Burru-chaga — to go easy on Marseille in the march May 20. Marseille won it to virtually wrap up a record fifth straight league title, then six days later upset AC Milan in the Champions Cup final to win the European title:

Robert has acknowledged being paid, while Eydelic and Burruchaga have admitted being involved. Glassmann, has not, but was the first to reveal the alleged bribe. E-CARAM

"There will indeed be sanctions taken against those implicated," Le Graet said after a 21/2meeting with the investigating judge in the case, Bernard Beffy.

And, he added, "If only the players are penalized, then, personally speaking, I won't be

"Our higher legal and disciplinary commis sion will meet in a few days time and will already be able to examine a number of dos-

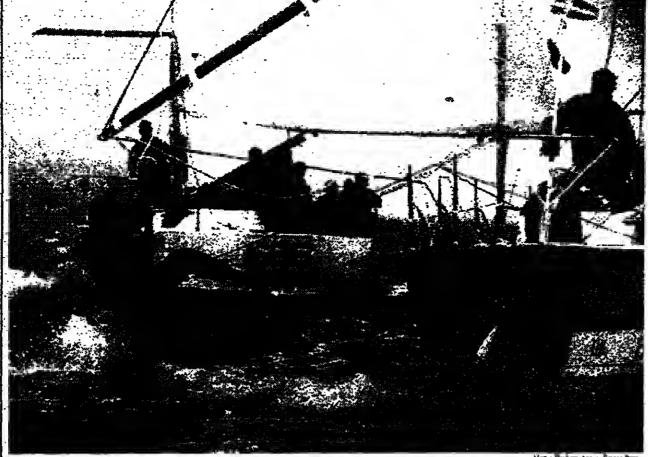
siers," he said. "My real mission is stop this from happening all over again," he added. "If there has been" bribery involving some people, "it has to stop. It's a system which doesn't fit in with sporting

> As for Bernes, who has consistently denied the charges made against him, Le Graet clearly disapproved of the lap of honor he made Satur-day night at Marseille's season opener at home

against Lens. Le Graet called Bernes's blowing kisses to the crowd as "indecent" and said that "I think it's a very good thing that he's changing profes-

Robert, whose playing contract with Valenci-ennes expired June 30, won a claim Thursday for 330,000 francs (\$60,000) from the club. Court officials ruled that he had a valid claim for 250,000 francs in bonus payments and a further 80,000 francs for his salary in June."

His lawyer, Pascal Vanhelder, said Robert was now unemployed, "ruined" and "heavily in



STORMY START - Jeff Stage, a crewman on the British yacht Provezze Source, got a soaking Timrsday as he tended to a spizuaker during the first day of the Admiral's Cup races. Australia took the overall lead, while one of the Irish boats, the Jameson One, owned by the king of Norway, struck a rock in the heavy seas and sank just short of the beach west of Cowes, England.

'A Very Positive Presence' in a Bad Community

By William C. Rhoden

New York Times Service SAN ANTONIO, Texas - An hour before his East team was to go on court at the U.S. Olympic Festival, Danta Bright sat alone in the bleachers listening to music through ear-

phones, his thoughts miles away. Tuesday evening, he had been sitting in the dormitory lobby when he glanced at the televi-

"I just saw something flash across the bottom of the screen saying, "Boston Celtic Star Dies," then they showed Reggie Lewis's picture," Bright recalled Wednesday afternoon.

"My heart dropped. I had tears in my eyes, and I went back to my room. I just put my head phones on because I couldn't believe it. Nobody could believe it." .

Bright's sorrow may have run deeper be-

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INTERNATIONAL FRIENDLY

BASEBALL

cause, for him, Lewis was not only a role model and mentor but a neighbor. They were cut from the same cloth, produced by the same East Baltimore community that has turned out loads of outstanding basketball players. They both played for Dunbar High School.

"Dumbar was like a pro team, that's the way people used to treat them," said Bright, now a lorward at the University of Massachusetts. "I thought I could be part of that I knew that most the guys on Dunbar's athletic teams went to college, and I wanted to be part of that, too."

In fact Bright and the other youngsters in the neighborhood were more familiar with Lewis's deeds than with Lewis.

"He was just a very positive presence in a community that was plagued by a lot of drugs, crime and all that," Bright recalled. "He delivered turkeys and food to the disadvantaged,

He also had a basketball court built and donated sneakers to the Cecil Kirk Center, where Lewis first played basketball.

"He never forgot where he came from." Bright said. "That's why this is such a big blow to East Baltimore. Kids have one less role model in the community." • Three of Lewis's teammates at Dunhar also

went on to play in the NBA. Two, David Wingate and Muggsy Bogues, are now team-mates on the Charlotte Homets. Bogues, at 5-foot, 3-inches (1.6-meters) the smallest player in the NBA, said that "it's hard

to swallow that his kids won't get to see what a great person he was. "We went through so much together and

both grew up dreaming of making it to the NBA. Truck was a soft-spoken guy who always accomplished the goals he set out to do. That's what I admired most about him."

Controversy Flares Over Death of Lewis

Compiled by Our Staff From Disposches BOSTON - More controversy surfaced

Thursday concerning the diagnosis and the death of Reggie Lewis.

Lewis, the star and captain of the Boston Celtics, who collapsed during a National Basketball Association game in April, collapsed again while shooting baskets Tuesday evening at the team's training center at Brandeis University in suburban Waltham. He was pronounced dead after doctors and parame tried for nearly two hours to resuscitate him.

An autonsy had been performed by the Massachusetts state medical examiner's office, under the supervision of the assistant examiner, Joann Richmond. The agency said that it would not issue a statement until the findings are completed, in the next few days.

A month before he died of cardiac arrest, Lewis received another reassuring medical opinion that he was free of serious heart trou-ble, The Boston Globe reported Thursday.

Dr. William G. Stevenson of the UCLA Medical Center in Los Angeles told the newspaper that "I agreed with the possibility that his episodes may have been due to neurocardiogenic syncope, but the diagnosis was not secure, and he should be monitored during physical exertion to catch an episode and determine the diagnosis. That was my recommendation."

Sievenson's assessment was less emphatic than that of Dr. Gilbert Mudge of Boston's Brigham and Women's Hospital, who had as-sured Lewis that he could resume playing professional basketball although he had collapsed in a playoff game on April 29. However, Stevenson said that Mudge had also recommended that Lewis's heart be monitored during exercise to make sure his heart rhythms were normal.

He said Mudge's diagnosis was "quite rea-sonable based on the data," especially since Mudge was being cautious by recommending that Lewis wear a heart monitor when he exerted himself.

Mudge, director of clinical cardiology at Brigham and Women's, has so far refused comment. A friend said he was "hearthroken."

A team of heart specialists brought together by the Celucs determined that Lewis, 27, suffered from cardiomyopathy and probably needed a defibrillator - an implantable device that shocks the heart back into a cormal rhythm if it stops beating properly. They rec-ommended he give up basketball.

Lewis then sought a second opinion, and Mudge said he had a relatively harmless nerve problem that confused the signals telling the heart whether to speed up or slow down.

an expert on sudden death in athletes at the Minneosta Heart Institute in Minneapolis and

formerly of the National Institutes of Health in Bethesda, Maryland.

"Obviously the first is correct and the second not, but how you get boxed into that position is beyond belief - it's a dumb position to get

into," Maron said. Stevenson, who specializes in heart rhythm problems, said Lewis brought the results of his medical tests in Boston and consulted with at least two other specialists in the Los Angeles area. He said Lewis "seemed appropriately con-

He said he saw no evidence that anything was "definitively abnormal from the standpoint of a cardiac rhythm." Given that so many of his heart test results were within a oormal range, he said, he would oot have recommended implant-ing a defibrillator in Lewis's chest.

In addition, Lewis' symptoms, which includ-ed feeling light-headed more than once during a game before his on-court collapse in April, "very strongly favored" a diagnosis of ocurocardiogenic syncope, Stevenson said.

Stevenson said he was surprised and "very upset" by the news of Lewis's death. 'I'm sure everybody tried to do the best they could, and make the best decision they could

Stevenson said. "But we are not gods." Other Boston doctors, including at least one from the 12-member team that originally assessed Lewis's condition, said he would probably still be alive if be had listened to other

"He should have followed the findings that the 12 of us recommended," said the member of the Boston cardiology team, who requested anonymity. "We said he needed further tests and probably needed a defibrillator and it was a question whether he would ever play again. If be had followed that, he probably would have heen alive today "

Dr. Thomas Graboys, a cardiologist at the Brigham and Women's Hospital, said that be was called on a Sunday to join the team that first consulted in Lewis's case at New England Baptist Hospital. The presumptive diagnosis was "some form of heart rhythm problem and the issue of focal cardiomyopathy was raised." Graboys said. Focal cardiomyopathy is abnormal weakening of a portion of the heart muscle.

A specialist in internal medicine, two cardiologsists and a neurologist examined Lewis, Graboys said, but be and several other members of the team examined only data from tests. They did not examine Lewis or take a history directly from him as is customary in consultations, he

Subsequently, Lewis "underwent a very care-"How you can end up with that kind of disparity is unclear," said Dr. Barry J. Maron, an expert on sudden death in athletes at the emerged which supported their diagnosis."

SCOREBOARD

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HOL Roles (8), Borres (8), Show (8), Scott (9) and Pletcher, Spein (8), Sidde (9); Bal-lard, Minor (7), Otto (8), Petkovsek (2) and Slought, W—Petkovsek, 2-0, L—Stane, F.Z. Chargers Lose

Gill Byrd won't get a chance to

way's main nemesis, underwent reconstructive surgery on his left knee Wednesday and is out for the National Football League season.

players with 42 career intercep-

are the most by any player. non-contact, one-on-one drill

1 3 0 70 45 2 0 4 0 80 142 8 Western Division 6 0 0 145 726 0 2 1 0 95 34 4 2 2 0 107 123 6 1 3 0 110 126 3 1 3 6 16 127 2 Losse estimated Byrd's rehabilitation at between six months and a

New York Giants — David Meg-gett, the all-purpose running back and return man, signed a two-year contract believed to be for \$2.7 milion.

TRANSACTIONS Houston Oilers — Brad Hop-kins, the first-round pick from Illinois who is projected as a starter at left tackle, agreed to a contract. No figures were released, but the con-

Top Defensive Back Gill Byrd

MARKEIPLACE bedevil John Elway again this sea-

Byrd, the San Diego Chargers'

Byrd ranks third among active tions. Only Ronnie Lott (60) and Everson Walls (56) have more. His nine interceptions - including three last season - against Elway

Dr. Gary Losse repaired two lig-aments and a tendon that Byrd tore when he apparently caught his cleats in the grass and fell during a

year, but said that Byrd, 32, has a chance to resume his career. Green Bay Packers - Wayne

Simmons, the top draft pick the team planned to start at left outside linebacker, was to undergo arthroscopic surgery Thursday on carti-lage torn in his right knee during practice Monday. He is expected to miss four to six weeks.

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OBSERVER

A Failure in Chic

By Russell Baker

NEW YORK - I learn from Styles of The Times, my favorite guide to up-to-date dressing, that it is no longer de rigueur to have your jacket sleeve sewn to your jacket. To do so may even be gauche, revealing you are out of touch with the deconstructionist movement in menswear.

The chic male, I gather, can oow rip the sleeve off his best hounds-tooth check and tie it to the jacket shoulder with a ribbon. It's not clear whether you put your arm io the amputated sleeve or just leave the thing -- the sleeve, oot the arm

 dangling empty io the breeze.
 The article probably explained this somewhere, but it was such a heady brew of chatter about fashion deconstructionism that I didn't dare read much for fear the police might pull me over for driving under the influence of fashion writing.

For another thing, my mind goes even blanker than usual the instant I see the word "deconstructionism." Not long ago Calvio Trillin announced that he had decided not to bother with the word "holistic," since it seemed sure to fall into desuetude before he could figure out what it meant. Trillin's declaration of independence from vogue words made a mighty impressioo

"Ah," I thought, "If I had only had Trillin's courage, I would never have wasted all those years finding out what 'desuctude' means.

Strengthened by Trillin's example, I decided when "deconstructionism" came along to ignore it until it went away. At that time, of course, it had something to do with French literary criticism. I digress here only to explain that wild horses couldn't have made me read about fashion deconstructionism if there had been a herd of them in the parlor on Sunday when Styles of The Times swam into ken. Not having summoned the willpower their menacing presence would have required, I fell easy victim to the picture showing the amputated

jacket sleeve. You will understand why once I explain that my brand oew creamcolored summer jacket, while being worn for the first time the previous day, had acquired a small, barely ooticeable salad-oil stain on the

right shoulder. Repeated efforts to scrub it out had made it large enough to be visible from the next

So naturally my heart leapt up at that picture of the severed jacket arm. "What is deconstructionism anyway?" asked a chunk of bold type. Smaller print gave the fashion answer: "Undoing the construction

In short, late in life I seemed finally to have blundered to the forefront of men's fashion. By ripping the entire right front panel off my brand new jacket. I could not only shed the salad oil, but could also leave the guys at the American Le-gion bar morose when they saw how out-of-date their own duds were.

I was kidding myself, of course, and I knew it I knew it the instant I studied the picture of Martin Margiela, the father of fashion deconstructionism. It showed a man wearing a Navy watch cap down on his eyebrows with torso wrapped in the sort of wardrobe Boris Karlott wore in the first "Frankenstein" movies. The only males who can dress

this way are either 13 years old or emotionally arrested at that miserable age. I am not 13 years old, but was once, and once was more than enough for me. I couldn't wait to turn 50 and start getting a little respect from cops, bus drivers and the kind of women who bang around hars and cherish the delusion that men old enough to be their fathers are dying to buy them expensive cars.

Sometimes, though, I regret put-ting 13 behind me. The year Robert Redford made "The Great Gatsby" and "the Gatsby Inok" was all the rage, I reasoned that since I louked so much like Redford I would spend some mooey to ape the fabled bootlegger's haberdashery. Result: beartfelt requests from my own children oot to go outside the house

Obviously, deconstructing the brand new cream-colored, saladoil-stained jacket by ripping off the front would only make me look not just over 50, but also demented.

Styles of The Times, tell me please, why is fashioo only for 13year-olds and outs? And, incidentally, how about a nice piece on how to remove salad-oil stains?

New York Times Service

Robert Altman, a Bigger Player Than Ever

By Bernard Weinraub New York Times Service

OS ANGELES - At 68, an age when most of Hollywood's filmmakers are retired, ignored or treated like dinosaurs by movie executives and talent agents. Robert Altman has embarked on the most radical and adventurous journey of his career.

People here have just come to the conclusion that I'm not going to go away," he said the other afternoon. "I seem to have become like one of those old standards, in musical terms. Always around, Lauren Bacall said to me, You just don't quit, do you?" Guess not. I guess 30-year-olds out here have decided I'm not just an old man living in the past."

Altman is now at one of the busiest moments of his roller-coaster career, a career that has seen triumphs including "M+A+S+H," "McCabe and Mrs. Miller," "Nashville," "The Long Goodbye" and, most recently,
"The Player," as well as failures like "Quintet," "Popeye,"

"A Wedding" and "O. C. and Suggs."

Aluman said the success of "The Player," the scathing satire about Hollywood, has enabled him, finally, to work on the projects that have obsessed him for years but proved elusive because film companies found his work too

risky and potentially uncommercial.
"Short Cuts," his first film since "The Player," has already generated extraordinary attention in Los Angeles and New York after private screenings for filmmakers and ournalists. The three-hour-plus film is based on eight stories and one poem by Raymond Carver, who died of cancer in 1988 and who depicted a bleak world of blue-collar desperation and tenderness in the Pacific Northwest.

The movie is to open the New York Film Festival on Oct. I and will appear around the United States shortly after that. In typical Altman fashion, the cast includes an array of well-known actors, including Anne Archer, Robert Downey Jr., Peter Gallagher, Jennifer Jason Leigh, Jack Lemmon, Andie MacDowell, Matthew Modine, Christopher Penn, Tim Robbins, Madeleine Stowe and Lily Tomlin.
"It's the best work I've ever done," said Altman of the

film. his 30th.

Beyond this, Altman is producing Alan Rudolph's "Mrs. Parker and the Round Table," about the acerbic writer Dorothy Parker (played by Jennifer Jason Leigh) and the cadre of writers, humorists and hangers on who made up the famous Round Table of wits at the Algonquin Hotel in New York City.

Early next year, Altman plans to start filming "Pret-à-Porter," about the Paris fashion scene. After that he plans to direct a screeo adaptation of Tony Kushner's epic twopart play, "Angels in America." He is also working on films about jazz, gangsters and women in Kansas City, his hometown, in the 1930s, as well as o movie he is creating with Harry Belafonte about Las Vegas and white performers who played to blackface. A film about Mata Hari is

If his schedule seems prodigious, with movie stars happy to work with him for low pay, Altman says that he oow barbors little animosity toward Hollywood. At the same time, be has few illusions.

"The people who get into this business are fast-buck operators, carnival people, always have been," he said. They doo't try to make good movies oow; they're trying to make successful movies. The marketing people run it now. You doo't really see too many smart people running

Asia



He may not look, it but Robert Altuma has enough projects to be "busy for the rest of my life."

the studios, running the video companies. They're all making big money, but they're not looking for, they don't have a vested interest in, the shelf life of a movie. There's no overview. No one says, 'Forty years from now, who's going to want to see this?' No visionaries."
"The Japanese will disappear from Hollywood," he said.

They infused a lot of money in here. They'll eventually sell that interest out. The Japanese have been made kind of fools of here, and I think they be beginning to get it. They say they don't have any artistic or cultural input. So what are they doing here? They're just bankers and they're being treated like that, and eventually they won't like it."

Since Altman has never been afraid of saying what's on his mind, or at least expressing publicly what other film makers say privately, he has made plenty of enemies in Hollywood. But success in Hollywood tends to turn enemies into buddles, and Altman has found that lately he has a lot more friends. And that there are a lot more actors who want to work with him. "Because the actors are so supportive," he

said with a laugh, "the studios have to be gentler."

Altman involved himself in "Short Cuts" while returning from an aborted film project in Italy. An assistant had given him a book of Raymond Carver short stories to read on the plane, and as soon as the plane landed Altman began the process of optioning them for a film. For the film, fictional characters and stories were juxtaposed and added. Alumin nervously showed the film to Carver's widow, the writer Tess Gallagher, and she responded enthusiastically, "Short Cuts" is about a number of disparate couples and

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4 Actress Reher

7 Down ---- out

families whose lives are entangled in strange, furny and violent ways. The film's most startling and talked about scene is one in which the character played by Julianne Moore has an argument with her husband, played by Matthew Modine, while nade from the waist down as she cleans her skiri. "This happens all the time — a wife changing her clothes in front of her husband," Altman said. Altman said he was unconcerned about the film's more

it. Mike Nichols, Jonathan Demme and other filmmakers have seen the movie, he said, and have lavishly praised it. and said it should not be cut. "People aren't complaining about the length," he said.
"It's sort of like having a child that's 7 feet tall. And that's what he is. You don't cut off his feet or his head to avoid

than three-hour length and was under no pressure to trim

boying him a new bed."

The intent, really, was to make this as truthful as possible," he said. "The multiple-structure thing always appeals to me. Any of these separate stories, whether in Nashville or Short Cuts, could make a television movie of the week, and I wouldn't want to see it. They'd be soppy, like little items in the newspaper. But it's far ferent to run these stories side by side and be able to go back and forth. It's like lifting a roof off a house and looking in. The brain becomes more active, and the andience is carrying all these stories along and they all seem to increase the importance of each other. The andi-

ence is actually doing the work, doing the thinking. And

A Traffic Nightmare For Rock in the Channel

With his usual flamboyance, keyboardist Jean-Michel Jarre pulled out all the stops for a concert at Mont-Saint-Michel, using lasers, giant screens and accompaniment by a candle-toting chil-dren's choir. But some fans never reached the rock in the English Channel linked to France by a road often submerged at high tide. Organizers said about 20,000 cars and 300 buses caused traffic snarts up to 12 miles (20 kilometers) long.

The Duchess of York's hopes of salvaging her public image by be-coming a special UN-envoy are taking a battering with unattributed newspaper reports that the gov-ernment and Buckingham Palace are trying to block her appointment. And one outspoken legislator, Sir Nicholas Fairbeirn, said: "I cannot think of anybody else I would sooner not appoint to this post. She is a lady short on looks, absolutely deprived of any dress sense, has a figure like a Jurassic monster, is very greedy when it comes to loot, no tact and wants to upstage everyone else." Glenda Jackson, now a member of partia ment, rallied to her defense, saying it was up to the UN_to decide. Former minister Edwing Currie, said: "They're a rotten lot for trying to stop a working girl from turning an honest buck." Meanwhile, Princess Diana spent her 12th wedding anniversary away from her husband, Prince Charles, taking her 8-year-old son Harry on an inspection of British forces based in Germany. William, 11 stayed in London, and Charles had no official engagements.

Bianca Jagger, ex-wife of rock star Mick Jagger, has won undis-closed libel damages from Simon & Schuster, publishers of "The Andy Warhol Diaries." The Nicaraguanborn celebrity-turned-activist had said remarks about her party-girl lifestyle in the book chronicing New York society in the decade before Warhol's death in 1987 were damaging and defamatory,

INTERNATIONAL CLASSIFIED Appears on Pages 5, 8 & f7

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Europe

North America

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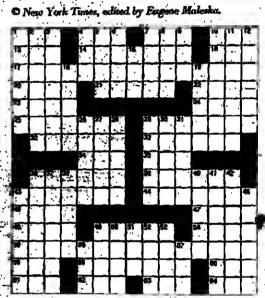
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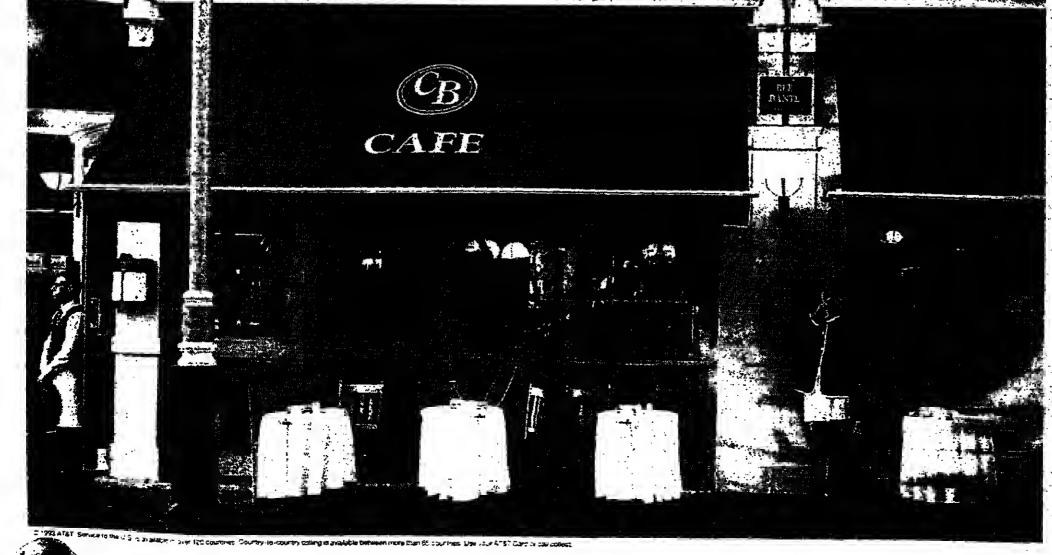
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